Daily Report

Central Eurasia

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Central Eurasia

FBIS-SOV-95-110 *8 June 1995*

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Black Sea Economic Cooperation Session Closes

LD0706205695 Moscow INTERFAX in English 1832 GMT 7 Jun 95

[FBIS Transcribed Text] MOSCOW, June 7 (INTERFAX) — The Black Sea Economic Cooperation Parliamentary Assembly completed its fifth session in Moscow today.

Summing up the session's results, State Duma Deputy Chairman Gennadiy Seleznev cited among the main results of the session the admission of Greece to the Assembly as a full-fledged member. Egypt received the status of an observer in the Assembly.

The Assembly decided to hold its next session in Turkey in November 1995.

Kazakhstan President Speaks at Disarmament Conference

LD0806104895 Moscow ITAR-TASS in English 1012 GMT 8 Jun 95

[By Konstantin Pribytkov]

[FBIS Transcribed Text] GENEVA June 8 (ITAR-TASS) — Kazakhstan's President Nursultan Nazarbayev said in a speech at a plenary session of the U.N. disarmament conference here today that Kazakhstan is committed to international security and disarmament agreements.

Nazarbayev said Almaty's moves are "aimed primarily at unconditional and full compliance with all international agreements" in which it is a signatory.

Speaking on the progress of disarmament in the world, Nazarbayev expressed concern that "the world's conflict potential has significantly risen in the past decades", and there is the need for "revision and substantial improvement" of the present security systems.

Nazarbayev said a vertical "geopolitical zone" of nations had emerged in Eurasia which he said joined "neither the West nor the East" in security terms.

The Kazakh president defined the zone as Russia, Central Asian states, Iran, Pakistan and India.

Despite their differences, the states are "a rather integral group in terms of their potential resources of influence on the balance of forces in Eurasia," Nazarbayev said.

He said security in Europe and Asia would largely depend on the orientation of these states. As Russia is the largest and most powerful among them, "it is just its (Russia's) choice that will determine the stability and changes in Eurasia", Nazarbayev continued.

The president said time requires the U.N. to focus on patronage and the establishment of effective security systems to be later used as a basis for transformation of the current and creation of new continental security structures.

Developing nations must be involved as equals in disarmament negotiations, Nazarbayev said.

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ITAR-TASS Carries Press Review for 8 Jun

LD0806073695 Moscow ITAR-TASS in English 0521 GMT 8 Jun 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW June 8 (ITAR-TASS) — The press gives prominence to the forthcoming meeting between Russian President Boris Yeltsin and his Ukrainian counterpart Leonid Kuchma in Sochi on June 9.

KOMSOMOLSKAYA PRAVDA writes that the two Presidents "will once again discuss the destiny of the long-suffering Black Sea fleet".

The newspaper's opinion is that Russia, while explaining its striving to have a Sevastopol-based sufficiently powerful naval force in the Black Sea theatre, must raise the issue concerning a "sharp increase in the military presence of the North Atlantic alliance in the area of the vital interests of the Russian Federation".

Such interest shown by NATO countries is accounted for by the fact that already in the near future the Black Sea region will acquire global importance as Europe's new economic gateway, a bridge linking Europe with the Middle East, Central and South East Asia, oil-rich Siberia, Kazakhstan, and Azerbaijan.

ROSSIYSKAYA GAZETA on the Black Sea fleet's basing problems:

"Two formulas were previously discussed: Sevastopol is the base of the Russian Black Sea fleet or the Russian fleet is based in Sevastopol. Russian representatives insisted on the former while the Ukrainian side upheld the latter".

KRASNAYA ZVEZDA (Red Star) carries an article by Major-General Leontiy Shevtsov about the peculiarities, problems and lessons of the restoration of constitutional legality, law and order on the territory of the Chechen Republic. The army has foiled an attempt to break up Russia's statehood, the General concludes.

IZVESTIA on the rouble stabilisation.

Under the headline "The rouble stabilisation: hope or danger?" the newspaper runs two interviews given to it by Mikhail Zadornov, Chairman of the State Duma Budgetary Committee, and Russian Minister of Economics Yevgeny Yasin

Zadornov believes that the current steady position of the rouble signifies ordinary seasonal fluctuations, not a fundamental change for the better in the economic situation".

However, from Yasin's point of view, "the stabilisation of the rouble rate and a certain revitalisation of individualll sectors of industry are a sign of positive changes in the overall economic situation".

IZVESTIA on constructon of facilities to destroy vesicant stocks.

The newspaper reports that, in accordance with a resolution of the Russian government, work has been started to build facilities to eliminate vesicant stocks amounting to an aggregate of 7,500 tonnes, which accounts for 20 percent of the entire amount of chemical weapons stored in the depots of the Russian army.

ROSSIYSKAYA GAZETA runs the full text of the Statute of State Awards of the Russian Federation.

PRAVDA, SOVETSKAYA ROSSIYA AND TRUD recall that the famous air pilot, thrice Hero of the Soviet Union Ivan Kozhedub would have been 75 years of age on June 8.

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NATO Expansion, CFE Revision Said Linked

954Q0199A Moscow NOVOYE VREMYA in Russian No 19-20, May 95 [Signed to press 16 May 95] p 40

[Article by Pavel Kandel: "Partnership for 'Cold Peace'—Russia Should Not Be Beaten for Its Weakness"]

[FBIS Translated Text] An election campaign in either Russia or the United States is the best time for a verbal competition in defending national interests. The initiative to enlarge NATO eastward provides a very good occasion for such rhetoric.

Something else is evident as well. The more significant an international action, the more dense the "smokescreen" of explanations, interpretations, assurances and denials that accompany it. After all, one has to not only present oneself in a favorable light, but also dispel the apprehensions of others.

Why Not Ex-Yugoslavia?

The White House's main argument for enlarging NATO for "public consumption" is the need to fill the "security vacuum" in Central and Eastern Europe and to extend the "zone of stability" in that conflict-spawning region. But that purpose would be fully served by the Russian proposal for cross security guarantees for the region's countries on the part of NATO and Russia. However, that proposal was rejected. And the geography of the planned enlargement itself calls into the question the sincerity of the explanations offered.

Serious Western analysts admit that the best chance for admission to NATO by no means lies with the countries that have the greatest need for security. When a discussion of NATO expansion gets down to substance, the candidates cited are only the countries of the Visegrad Four (Poland, the Czech Republic, Hungary and Slovakia). And not even all of them, at that. But NATO is by no means in any hurry to extend its security guarantees to the Balkans, which live under a constant and real threat that the Yugoslav crisis could spill across its current borders. The great powers in NATO have repeatedly stated publicly that they do not wish to involve their ground forces in a resolution of the Yugoslav crisis. Their "stability-promoting" efforts are confined to a readiness to help withdraw the ill-fated UN peacekeepers from Bosnia, thereby giving the combatants the power to "stabilize" the situation on the battlefield until a victorious end.

The European Union and NATO

The Central European politicians who are most persistent in demanding early admission to NATO have a popular rationale: a threat from an unpredictable Russia and its imperial ambitions. In this propaganda work, a book of quotations from Zhirinovskiy and his ilk is an absolutely essential aid. These Russian politicians, in addition to the undying gratitude of Baghdad and Belgrade, may also rightfully claim a reward for their efforts from anti-Russian circles "from Vancouver to Vladivostok." But in reality, the latter, it seems, would be not so much frightened by as pleased with a possible victory by the Russian national-communists. Otherwise, it is hard to explain why each election campaign in Russia is accompanied by Western initiatives that strike a blow to the back of all for whom fundamental anti-Westernism is not the basis of foreign-policy self-determination. The Partnership for Peace program was unveiled on the eve of the 1993 elections. The idea of enlarging NATO eastward appeared at the start of the 1995-1996 election campaign.

Meanwhile, Zbigniew Brzezinski, who can hardly be reproached for pro-Russian sympathies, admits: "Talk of a 'new Yalta' or of a Russian military threat is not substantiated by either actual circumstances or even the worst-case scenarios for the future." But in more intimate conversations, no secret is made of the fact that the danger is seen not in Russia's current unpredictability (which is dangerous only to Russia itself), but in its possible revival. For example, Polish President Lech Walesa told French Prime Minister Edouard Balladur on 1 July 1994: "Unless we join the West in time, the East will swallow us up again."

As time-tables for admission to the European Union are moved back, admission to NATO is becoming the aspirants' only roundabout way to draw closer to the desired goal. And on the contrary, the EU members see the admission of new members from Central and Eastern Europe to NATO, instead of an economically burdensome early admission to their own ranks, as a consolation prize and incentive that maintains hopes for equal integration into a united Europe. One can also discern in this a desire to use external factors of "Europization" to make up for an appreciable shortage of internal sources of that process. At the same time, former Soviet allies very much need the "Russian threat" in order to increase the West Europeans' interest in the fate of Central and Eastern Europe. But the fact is that all this has nothing to do with European security.

Balance of Forces

An eastward expansion of NATO objectively strengthens the irreversibility of the Central and East European countries' "departure" from the Soviet (Russian) sphere of influence. Naturally, this cannot gladden Russia, but a restoration of its economic and political positions in the region is beyond its ability for the foreseeable fu-

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ture. For this reason, the admission of the countries of the former "Eastern bloc" into the EU, which would automatically open the door to their joining the Western European Union—the defensive structure of the united Europe—meets no opposition from Russia. However, such a way of attaining European unity evokes no special interest in either Europe or the United States. And so it is necessary to search for other reasons for the drive to expand NATO. [passage missing] if we shift from political and diplomatic rhetoric to an analysis of possible changes in the balance of forces that would arise should NATO expand eastward. Only this approach is realistic when the question is one of enlarging the military bloc. As we know, the Treaty on Conventional Armed Forces in Europe (the CFE Treaty of November 1990) was based on parity between NATO and the Warsaw Pace. Since the dismantling of the Warsaw Treaty Organization and then the breakup of the USSR, Russia accounts for approximately 15 percent of all weapons in Europe (compared to 50 percent to 60 percent for the Soviet Union), which in itself gives NATO a significant advantage. If the Central and East European countries are admitted to NATO, this superiority would be double that which the Warsaw Treaty had over NATO in 1990. Western experts saw that inequality of forces as destabilizing in that it offered the potential for large-scale offensive actions.

Consequently, the admission of the Central European countries to NATO would constitute a de jure unilateral violation of the CFE Treaty, and the de facto conclusive destruction of the security system in Europe. A force potential many times greater than the Russian potential would emerge on the continent, one that, moreover, would be in immediate proximity to Russia's borders or directly on its borders (Kaliningrad Oblast). Given the current situation in Europe, this does not mean an actual military threat, but it could mean an intensification of the strategy of containing Russia and putting pressure on its political course. Real levers with which to "maintain geopolitical pluralism," to use Zbigniew Brzezinski's term, would appear on the territory of the former USSR—in other words, for opposing a reintegration of the post-Soviet space.

The initiators of the idea of enlarging NATO do not expect a catastrophic change in the European balance of forces for Russia and its military and political isolation to meet with understanding. For this reason, they have come up with a set of measures to reassure Russia, something that, in and of itself, confirms that the planned enlargement is obviously not to Russia's advantage. Russia is being offered various kinds of treaties with NATO on cooperation and on establishing a mechanism of special security consultations under the Organization for Security and Cooperation in Europe. However, the unequal exchange is too obvious: In exchange for consent to a very real upsetting of the balance of forces, nonbinding promises and consultations are offered. No verbal or paper assurances can blur the objective consequences of an expansion of NATO. The CFE Treaty would essentially be voided. Strategic stability in Europe would be drastically undermined. Groups of countries with fundamentally different security guarantees and security levels would appear in the eastern part of the continent, with substantially different degrees of influence on decision-making in the security sphere: the new NATO members, the potential second group of candidates, and the countries deliberately deprived of this prospect. In this system of asymmetrical security, Russia would find itself in the least favorable position.
Reflex

One could, of course, blame Yeltsin: Why, after barely having taken off the irritating "red" clothes, was he in such a hurry to pull on the hide of the Russian bear? One could point out that Western designers also had a hand in this change of clothing. But the essence of the matter lies elsewhere. Moscow is being mercilessly punished for its current weakness, and confronted once more with a tough choice. It would be surprising if the appropriate response proved any less tough.

Russia has lost the power to veto sovereign decisions by other states to join military-political blocs. But it has a no less sovereign right to be concerned about its own security interests, especially when others are unceremoniously ignoring them. And in this context, the character of the existing political regime in Russia or of a political regime that might threaten it in the future is not important. For this is no longer important to Russia's Western "partners," which are planning NATO's expansion without regard for the prospects of Russia's democratic development and are not concerned about them in the least.

Russia's stubborn "no" is the easiest response to the initiative to enlarge NATO, and a purely reflexive one. However, it is a counterproductive response. Its refusal to agree could be simply ignored, in the final analysis. But the minimum acceptable condition for Russia's consent to NATO expansion is a maintenance of the balance of forces as the foundation of strategic stability and security in Europe. These two seemingly mutually exclusive approaches can be reconciled if changes in NATO's composition are preceded by the conclusion of a new treaty on conventional armed forces in Europe. Such a treaty should stipulate that the admission of each new member to NATO will be accompanied by a corresponding reduction in the level

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of the alliance's aggregate level of arms. In addition, such a treaty should guarantee that foreign troops and armaments will not be present on the territories of the Central and East European states, and it should provide a mechanism for constantly monitoring compliance with its provisions. The relevant states of the region would obtain the sought-after chance to obtain the status of NATO members, while Russia would acquire guarantees against a threatening asymmetrical balance of forces and against its de facto exclusion from the European security system. But if no compromise is achieved, "great-NATO" aspirations will result in a manyfold intensification of great Russian sentiments, and then the concept of "European security" will have a place only in the historical archive.

Duma Opposes Deployment of 10,000 NATO Servicemen

LD0706230495 Moscow Voice of Russia World Service in English 1800 GMT 7 Jun 95

[FBIS Transcribed Text] Deputies of the Russian State Duma, the parliament's lower house, have condemned plans by Western countries to deploy 10,000 NATO servicemen in the Bosnian conflict area without defining them with a peacekeeping force status. They had adopted a stance of opposition to these plans during a plenary meeting held earlier today. Some deputies, Konstantin Zatulin among them, drew the house's attention to the fact that Western nations were actively anti-Serbian in the Balkan conflict and were trying to bring the situation under their control without the relevant UN sanctions. The deputies have instructed the Duma Committee for International Affairs to produce a statement addressed to the president and the cabinet of the Russian Government, given the current escalation of the conflict in the Balkans.

Foreign Ministry Official Views Rapid Deployment Force

LD0706202195 Moscow INTERFAX in English 1844 GMT 7 Jun 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MOSCOW, June 7 (INTERFAX) - Russia will back plans to send NATO's rapid deployment forces to Bosnia if this decision does not lead to changing the existing mandate of UN forces in former Yugoslavia and assists in increasing their efficiency, Russia's First Deputy Foreign Minister Igor Ivanov declared in an interview with INTERFAX Wednesday [7 June].

"There is no doubt that the efficiency and security of the U N. peacekeeping forces should be increased. Nobody has the right to make attempts on the lives of U.N. servicemen and take people who have the only aim in Bosnia, to establish peace, as hostages. Such actions deserve condemnation," he underlined.

In his words, the Russian Federation is ready for a constructive dialog with its partners in the contact group (the Russian Federation, the United States, Great Britain, France, and Germany - IF) on issues related to the decision of NATO's and the European Union's Defense Ministers to send NATO's 10,000 servicemen to help the U.N. peacekeepers. "However, there is no doubt that there should be no forces in Bosnia outside the U.N. mandate. This is the starting point of any discussion," Ivanov underlined.

He specially emphasized that authors of this plan underline that the rapid deployment forces which are likely to be made up of servicemen from Great Britain, France and Netherlands will act exclusively in the frameworks of the U.N. existing mandate. "This plan, as far as it is possible to judge, reflects the West's concern over the crisis in Bosnia and the peacekeepers' future," he added.

At the recent meeting of the Contact Group foreign ministers, it was emphasized that the Bosnian issue had no power solution, Ivanov recalled. "No one has renounced that," he added.

Ivanov supposed that the U.N. will consider the NATO plan while debating on the secretary general's report on the prospects for the peacekeeping mission in Bosnia.

Meanwhile, after his meeting with British Foreign Minister Douglas Hurd in London Wednesday, Russian Foreign Minister Andrey Kozyrev said that he had received assurances that the existing mandate of the peacekeepers in Bosnia will not be changed even if NATO servicemen are sent there to help them.

Yeltsin To Join Economic Discussion at G-7 Meeting

LD0806094795 Moscow ITAR-TASS in English 0930 GMT 8 Jun 95

[By Nikolay Setunskiy]

[FBIS Transcribed Text] OTTAWA, June 8 (ITAR-TASS) — President Yeltsin will not only become a member of the "political eight" in Halifax, but will also join the discussion by the "seven" of global economic problems, a senior official of the Canadian Foreign Ministry told ITAR-TASS. The official, who asked not to mention his name in the press, told journalists on Wednesday about the way the Halifax summit of the major industrially developed countries would be held on June 15-17.

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He said that Canadian Prime Minister Jean Chretien, who will chair the forum, had held consultations with other leaders before the summit, specifically, with the Russian President. During Chretien's visit to Moscow they discussed the agenda of the Halifax summit.

It was stressed that after the Russian leader arrived in Halifax on June 16, he would be briefed in detail by the Canadian Prime Minister about the beginning of the summit. In the evening of the same day Yeltsin will meet other leaders at a working supper and, according to the Canadian senior official, they knew about his intention to discuss some global economic problems, because the Russian President had made it clear.

The official specially mentioned the fact that the Russian leader was not going to Halifax with a list of requests about further assistance to Russia. He said that on the current stage Russians were showing much interest in speeding up their integration in the world economic system in general. This is why they raised the problem of the restructuring of their foreign debt. As was stressed by the official, a decision to that effect was taken recently by the Paris Club.

Speaking about the prospects of Russia's joining the World Trade Organisation, the senior official said that the following answer would be given to Russia: we shall be glad to welcome Russia in that organisation as soon as it is ready to join it, because admission criteria cannot be changed for one sole country. The official said further that Russians were interested in getting access to the markets, and they focus their attention on European countries, in the first place. They want to be recognised not only as a debtor country, but also as a creditor country, because Russia is a creditor too.

According to the senior official, the problem of Chechnya will be discussed at the final working supper in Halifax. He said members of the G7 groups were very much concerned over the situation in Chechnya and wanted the conflict to come to an end and be settled by peaceful means.

Yeltsin Departs for Russian-Ukrainian Summit

LD0806060095 Moscow ITAR-TASS in English 0537 GMT 8 Jun 95

[By Oleg Velichko and Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW June 8 (ITAR-TASS) — President Yeltsin left for Sochi today in the morning to attend a Russian-Ukrainian summit on June 9. After arriving in Sochi, Yeltsin will hold a working meeting with Prime Minister Chernomyrdin and experts, at which they will discuss Russia's stand at the talks, that will deal mostly with the future of the Black Sea Fleet, the President's press secretary Sergey Medvedev told ITAR-TASS. The meeting will be attended by assistants to the President Yuriy Baturin and Dmitriy Ryurikov, who visited Kiev last week on the instruction of Yeltsin and discussed the details of the forthcoming Russian-Ukrainian summit.

The Russian delegation at the Sochi talks will include First Deputy Prime Minister Oleg Soskovets, Defence Minister Pavel Grachev, Foreign Minister Andrey Kozyrev, Commnder-in-Chief of the Russian Navy Felix Gromov and first assistant to the Russian President Viktor Ilyushin.

Speaking about a possible outcome of the Sochi summit, Medvedev said that practical problems, connected with the Black Sea Fleet, would probably not be resolved at the summit. The most important thing, in his opinion, is to work out a political solution to the problem. "For three years our two sovereign states have been unable to decide the future of the fleet, although many meetings on various levels have been held," Medvedev said. According to Medvedev, the Sochi summit will be a "working meeting" and may become a "very important step" on the way to Yeltsin's meeting with Ukrainian President Leonid Kuchma in Kiev.

Kozyrev Describes London Talks on Bosnia Issues

MM0706150695 Moscow IZVESTIYA in Russian 8 Jun 95 p 3

[Report by Aleksandr Shalnev: "Russian Soldiers Possibly To Join Rapid Reaction Forces in Former Yugoslavia, Minister Kozyrev Stated in London"]

[FBIS Translated Text] London — Moscow has withdrawn all its objections, if it ever seriously had any, to the Western countries' creation of rapid reaction forces in the former Yugoslavia and in particular to the transfer of extra British and French troops and military hardware there.

As Andrey Kozyrev stated after two hours of talks in London with Douglas Hurd, his British counterpart, and Defense Secretary Malcolm Rifkind, he is entirely "satisfied with the explanations and assurances" given to him on this score. To be precise: These measures do not in any way violate the mandate given to the peacekeeping forces by the UN Security Council.

But if the mandate were exceeded, the minister said, and the troops began carrying out punitive functions, the situation would then become extremely dangerous and would lead to the taking of new hostages and the deaths of an ever increasing number of blue helmets. But as Kozyrev understood from the explanations he received, this is merely a question of ensuring greater security

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for the troops and increasing their effectiveness. Russia is undoubtedly interested in that because "our boys" are among the troops "and they are also being taken hostage, wounded, and even killed."

Replying to my question, the minister did not rule out the possibility that Russia could also join in with the rapid reaction forces. "But for that to happen we must first study all the details of the plans put forward by the West." He noted that a new UN Security Council resolution might be needed before the plans could be implemented in full.

It is interesting that at the meeting with Hurd and Rifkind the question of whether NATO will bomb the Bosnian Serb positions again was not only not discussed in detail but was not even raised by the minister, who told me that he simply hopes that NATO has learned the lessons of the latest such bombing action which, in his words, "was a failure and in particular was badly planned."

Kozyrev reported that the question of lifting or suspending the sanctions imposed by the United Nations on Yugoslavia could be resolved quite soon.

Kozyrev, Hurd Discuss NATO Relations

LD0706163295 Moscow ITAR-TASS World Service in Russian 1450 GMT 7 Jun 95

[By ITAR-TASS correspondents Vladimir Voronkov, Dmitriy Gorokhov, and Viktor Solomin]

[FBIS Translated Text] London, 7 Jul — Special relations need to be established between Russia and NATO over the next few months. This opinion was reached by the British foreign secretary and the Russian foreign minister, Douglas Hurd and Andrey Kozyrev, during their second round of talks which lasted one and a half hours.

The main topic today was the discussion of Russia's future relations with NATO within the framework of the "Partnership for Peace" program. The structure of the future model for European security, Andrey Kozyrev reported, summing up the results of the meeting, will be discussed in more detail at the meeting of leaders of the eight major countries in Halifax (Canada) later this month. The heads of the foreign policy departments also devoted much attention to the establishment of links between the European Union, NATO and Russia.

The Russian minister called for his western partners to accelerate the conclusion of an economic agreement between Russia and the European Union since this will effectively assist economic reform and the democratic process in the Russian Federation. Such an agreement with the EC would open up the possibility of further strengthening mutual trust and cooperation in Europe.

The ministers considered the practical problems connected with the treaty on conventional armed forces in Europe which is to revised next year. Answering a question from the ITAR-TASS correspondent, Douglas Hurd said that the discussions were fruitful and he expressed confidence that the parties could deal with the existing friction.

A. Kozyrev noted the friendly and constructive nature of the dialogue which had taken place with Prime Minister John Major and Douglas Hurd. He said he had received official assurances from London that the West's new plans on the Bosnian settlement which had been discussed at various forums over the past few days would not exceed the UN mandate and there were no plans for military structures to be set up within the "blue helmets" contingent. Their plans were directed towards more effective guarantees of the safety of servicemen in Bosnia-Herzegovina.

Russia will adhere to the Contact Group's peace plan of persuading the opposing sides of the need for a ceasefire and the freeing of the hostages. As far as the latter is concerned, Russia is making all kinds of efforts towards them being freed speedily, A. Kozyrev stressed.

Kozyrev Leaves London for Sochi

LD0706155895 Moscow ITAR-TASS World Service in Russian 1451 GMT 7 Jun 95

[By ITAR-TASS correspondents Vladimir Voronkov, Dmitriy Gorokhov, and Viktor Solomin]

[FBIS Translated Text] London, 7 Jun — Russian Foreign Minister Andrey Kozyrev, who was in London on a two-day visit, left for Sochi today. He will take part in a upcoming meeting between Russian President Boris Yeltsin and Ukrainian President Leonid Kuchma.

During his stay in Great Britain, Kozyrev held talks with Prime Minister John Major, had two meetings with Foreign Secretary Douglas Hurd, and had a conversation with Defense Secretary Malcolm Rifkind.

The Russian minister handed the British prime minister a personal letter from Russian President Boris Yeltsin, in which Yeltsin expresses his gratitude to John Major for what he said about Russia during his visit to Moscow on VE-Day. Kozyrev also took part in the official ceremony of exchanging busts of Marshall Georgiy Zhukov and Winston Churchill, British prime minister during the World War II.

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During his talks with British leaders, Kozyrev paid major attention to the situation in Bosnia-Herzegovina and problems of European security.

In addition, they also discussed relations between Russia and NATO countries within the framework of the Partnership for Peace program, the situation in Chechnya, and a upcoming G-7 meeting in Halifax (Canada), due to be attended by Boris Yeltsin.

Foreign Ministry Supports UN Statement on Force in Bosnia

LD0706152795 Moscow ITAR-TASS World Service in Russian 1624 GMT 6 Jun 95

[By ITAR-TASS diplomatic correspondent Valeriy Sevryukov]

[FBIS Translated Text] Moscow, 6 Jun — Speaking today about the report delivered by UN Secretary General Butros-Ghali which expressed an "unambiguous choice" in favor of preserving the peacekeeping character of the UN operation in Bosnia-Herzegovina and against transforming it into an operation which uses force and compulsion, Grigoriy Karasin, director of the department for information and press of the Foreign Ministry of the Russian Federation, described it as "of fundamental importance."

We, the official representatives of the Russian Foreign Ministry said, fully agree with the arguments put forward by Butros-Ghali with regard to the obvious limits of using force and the destructive political consequences of using it excessively.

Russia's Foreign Ministry, he added, shares the UN secretary general's opinion that it is necessary to maintain the impartiality of the UN Protection Forces (UNPROFOR) in Bosnia and to protect it from becoming one of the sides actively involved in the present conflict.

Grigoriy Karasin pointed out with satisfaction the "unambiguous" statement made by Butros-Ghali against toughening the UNPROFOR mandate and making it anti-Serb. In fact, he said, it is made clear in the report that if the members of the UN Security Council prefer "a version which relies on force," then it would have to be implemented by some sort of "multinational forces" provided by those sides willing to do so as the United Nations will be unable to do this.

Russia's Foreign Ministry shares the UN secretary general's arguments in favor of intensifying the peace process in Bosnia, as well as preserving UNPROFOR's role in this process. Meanwhile, this role, the diplomat pointed out, should be to continue only the peacekeeping operation, and for the UN forces to implement exclusively "realistic and practicable tasks" which should be based upon the consent of the two sides and an unbiased attitude to each of the sides, as is required by UN decisions.

The UN forces, Grigoriy Karasin stressed, should not overstep the boundary between maintaining peace and imposing peace. "We share the position of the secretary general, who, in welcoming the initiative put forward by a number of countries to send additional contingents to reduce UNPROFOR's vulnerability, openly says that plans for the large-scale use of force are not in conformity with the peacekeeping operations in Bosnia," the official representative of Russia's Foreign Ministry said.

Ivanov on Suspension of Sanctions in Former Yugoslavia

LD0706203795 Moscow INTERFAX in English 1804 GMT 7 Jun 95

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] MOSCOW, June 7 (INTERFAX) — The international community has agreed upon a set of sanctions that will be suspended after the Union Republic of Yugoslavia and Bosnia-Herzegovina announce their mutual recognition. "Belgrade has been informed about the set and agreed to it," the Russian Deputy Foreign Minister Igor Ivanov told INTERFAX Wednesday [7 June].

He stressed that Yugoslavia and Bosnia have worked out a general formula of mutual recognition.

Only one question remains open: the form of the resumption of sanctions against Belgrade if it violates the restrictions imposed by the international community, for example if it opens the border with Bosnia-Herzegovina, Ivanov said.

According to him, Russia believes sanctions can be resumed only on the basis of an appropriate report of the U.N. secretary general. On this point it disagrees with the U.S., which insists on the resumption of sanctions at the requirement of one of the permanent members of the Security Council.

However, he declined to name specific kinds of sanctions to be used against Belgrade. "It is still too early to list them," he emphasized.

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Poland, Germany, Turkey 'Stepping Up' Espionage in Russia

LD0706151195 Moscow ITAR-TASS in English 1319 GMT 7 Jun 95

[By Sergey Trofimov]

[FBIS Transcribed Text] VOLGOGRAD, June 7 (ITAR-TASS) — Russia's Federal security service (FSB) has announced that the special services of Poland, Germany and Turkey are stepping up their activity of Russian territory. [as received]

Chief of the FSB public relations centre, Major-General Aleksandr Mikhaylov told a press conference in Volgograd today that the Polish special services had made numerous attempts at recruiting Russian visitors to Poland as their agents. He recounted the story of a German diplomat detained on the premises of a closed Russian military settlement, and another about an agent of the Turkish special service who posed as a journalist in contacts with Dudayev's close allies and was subsequently arrested by the Federal security service of the Russian Federation.

According to Aleksandr Mikhaylov, the Federal security service exposed 22 agents of foreign intelligence services and curtailed around 60 attempts at handing over classified materials by Russian citizens to foreign officials.

The journalists were shown technical devices and appliances seized by Russian special services in the course of operation aiming to suppress illegal activities of foreign special services and organised criminal groups.

Kazakhstan, Estonia Asked To Protect Russian Citizens

LD0706155295 Moscow ITAR-TASS in English 1357 GMT 7 Jun 95

[By Lilia Kuznetsova]

[FBIS Transcribed Text] MOSCOW, June 7 (ITAR-TASS) — Russia has appealed to the presidents of Kazakhstan and Estonia demanding to protect its citizens against abuse in former Soviet republics.

A document adopted today at the conference "the position of our compatriots abroad and problems of ethnic minorities" says that Russia is concerned about illegal activities of the Kazakh law enforcement bodies who took into custody a correspondent of the Russian newspaper "Megapolis-express" Boris Suprunyuk on May 11 and sentenced him to two years imprisonment on charges of provoking ethnic strife. Participants in the conference who put their signatures under the address to the Kazakh president called on the president to promote immediate release of the honest journalist and prevent illegal activities of those who try to undermine friendship between the people of the two countries.

Another appeal addressed to the Estonian president Lennart Meri says that Russia regards as hostile the act of forcible deportation of Russian citizen Petr Rozhok from Estonia on June 4, 1995. The activities of the Estonian authorities were assessed as outrageous violation of generally acknowledged fundamental human rights and freedoms and a drive against "a different way of thinking". The participants called on the Estonian president to pay serious attention to the circumstances outlined in the address and take practical steps to ensure fundamental human rights and freedoms for all citizens of the republic.

The appeals to the Kazakh and Estonian presidents were drawn at Boris Yeltsin's request by the Russian department for problems of citizens and would be forwarded to the presidents of the two countries on behalf of the conference, said chief of the department Abdulakh Mikitayev at a news conference held here today.

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Political Issues

Diplomat Comments on Kiev Statements on Talks

LD0706202395 Moscow INTERFAX in English 1804 GMT 7 Jun 95

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow, June 7 (INTERFAX) — The statements made in Kiev in the run-up to the June 9 meetings at which Presidents Leonid Kuchma and Boris Yeltsin will discuss the Black Sea Fleet give Moscow cause for concern, a senior Foreign Ministry official told INTERFAX Wednesday.

"The rhetoric and threats to push the Russian Black Sea Fleet from Sevastopol and Crimea cast a shade of doubt on Kiev's declared desire to have good relations with Russia," said the official, who was speaking on condition of anonymity.

The official described these statements as provocations and as running counter to Ukraine's interests. "Whether they reflect Kuchma's position in Sochi or not, such statements do not obviously contribute to a favorable climate for the meeting of the two leaders," he said.

In the official's words, Moscow attaches special importance to the Sochi meeting. He said that this is the first full-scale meeting of the two presidents since last year's presidential elections in Ukraine. The presidents of the two countries have so far discussed the fleet among other items on their agenda but this meeting will deal with this issue alone, the official explained.

He said that Russia hopes that the meeting will be a success and confirm and extend the earlier agreements on the fleet.

"In our opinion, the main issue of the Black Sea Fleet is the people. They should know at last who they are, what they are, etc. We cannot constantly try their endurance," the official said. "Black Sea Fleet servicemen are not ships of iron that you can divide or dismantle into pieces, if desired. If Black Sea Fleet servicemen consider themselves Russians and want to serve in Russia's Black Sea Fleet, this is their choice and their right," he added.

Zhirinovskiy: Russia Facing Balkans War Threat

LD0706203195 Moscow INTERFAX in English 1924 GMT 7 Jun 95

[FBIS Transcribed Text] Moscow, June 7 (INTERFAX) - Leader of the Liberal Democratic Party of Russia, Vladimir Zhirinovskiy, believes that "in the Balkans, preparation is underway to engage Russia in a large-scale war," he told a news conference in the State Duma Wednesday.

On behalf of his faction, Zhirinovskiy "warned the world that there exists the threat of a third world war" which, in his opinion, "is near."

According to Zhirinovskiy, Russia joining the Partnership for Peace "right now" gives NATO troops "the opportunity to come to the Russian territory through the Romania-Transdniester geopolitical corridor so as to destroy and dismember Russia."

Zhirinovskiy added that Aleksandr Lebed's resignation as commander of the 14th Army stationed in Transdniester "was not circumstantial" and represented part of a scenario to engage Russia in a large-scale war.

Asked which countries will wage the war on the Russian territory and with what aim, Zhirinovskiy answered: "When you have been to a British or U.S. concentration camp, you will understand."

Zhirinovskiy told those present at the news conference that his party had information on "where and in what currency journalists receive their salaries."

Yeltsin Submits His Proposals on Electoral Law

LD0706175895 Moscow INTERFAX in English 1550 GMT 7 Jun 95

[FBIS Transcribed Text] Moscow, June 7 (INTERFAX) — Russian President Boris Yeltsin has submitted his proposals to the law on elections of deputies of the State Duma, INTERFAX parliamentary correspondent reported Wednesday.

The trilateral conciliatory commission, consisting of presidential representatives as well as representatives from the two houses of the Russian parliament, is to consider the proposals at its Thursday sitting.

Yeltsin agreed to preserve the 50:50 ratio between State Duma deputies being elected from single-mandate constituencies and on party tickets.

At the same time, the presidential proposals will help "to considerably increase regional participation in party lists," according to an explanatory note enclosed with the proposals. This will be achieved by forming a core federal part in the party list, up to 10% of the total list.

Federal candidates, including the top three party leaders, will not be allowed to be nominated simultaneously in a single-mandate constituency. Regional candidates, however, will be able to do so. They must reside in the nominating constituency and canvass the signatures of at least 1% of its electorate. "There must not be any monopoly by one region" in the regional part of the

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party list. Candidates from any single Russian region must not exceed 20% of the whole list's regional part.

Rybkin on Meeting With Yeltsin on Elections Law

LD0706120095 Moscow ITAR-TASS in English 1135 GMT 7 Jun 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow, June 7 (ITAR-TASS) — Problems linked with the work of the Conciliation Commission on the law "On State Duma Elections", which was turned down by the Russian President, were discussed during the Tuesday [6 June] meeting between President Boris Yeltsin and Duma Speaker Ivan Rybkin. This was disclosed by the Speaker of the Lower House of the Russian Parliament during today's plenary meeting of the Duma.

Rybkin said that the President had forwarded to the Conciliation Commission his suggestions concerning the law on the election of Duma members. "The Head of State," he noted, "agrees in principle to leave intact the provision that 225 Duma members should be elected by party tickets, and 225 — in single-mandate constituencies."

However, in this case, the President believes, ninety per cent of the candidates should represent the regions on the federal list of an election bloc. Moreover, the President believes that the number of elected deputies in one subject of the federation should not top twenty per cent of the federal list of an election bloc. "The Head of State," Rybkin said, "holds that candidates, included in a party ticket, cannot run for election in single-mandate constituencies."

The Speaker stressed that the President had expressed during their meeting his firm conviction that the elections would be held strictly according to the timelimits fixed by the Constitution.

Yeltsin Vetoes Defense Order Draft Law

MK0806072095 Moscow SEGODNYA in Russian 8 Jun 95 p 1

[Unattributed report: "Boris Yeltsin Vetoes Law on Defense State Order"]

[FBIS Translated Text] Russian Federation President Boris Yeltsin has vetoed the law on government defense orders for 1995 "because the State Legal Administration of the head of state's staff has discovered that this document does not correspond with the Russian Federation Constitution and a number of laws on many points." This was reported by an informed source yesterday.

Ryabov on Preparations for Next Elections

MM0706122095 Moscow KRASNAYA ZVEZDA in Russian 3 Jun 95 p 3

[Interview with Nikolay Ryabov, chairman of the Russian Federation Central Electoral Commission, by Aleksandr Pelts: "Nikolay Ryabov: To Cancel the Elections Would Be To Renounce Publicly the Rule-of-Law State"]

[FBIS Translated Text] Nikolay Timofeyevich Ryabov was born in the city of Salsk, Rostov Oblast, in 1946. After attending the agricultural school he served in the army. He graduated from the Rostov State University law department in 1979.

In 1990 he was elected chairman of an RSFSR Supreme Soviet subcommittee and in 1992 deputy chairman of the Russian Supreme Soviet. In 1993 he was appointed chairman of the Russian Federation Central, Electoral Commission.

[Ryabov] I will begin by answering a question many people are asking me at the moment — will the elections actually taker place? I am not a clairvoyant, of course, but I can give an account of the logical development of events. of my view of the issue.

So, as we can see, long before the start of the actual election campaign the topic of elections is on everyone's lips. And the tone is clearly a negative one. The elections may not take place, they say. Either they will not take place at the allotted time, or... But I would like to stress one thing: In the present situation trying to cancel the elections or change the date of them is tantamount to publicly renouncing a rule-of-law state, admitting that the people remain, as they used to be, the object of political manipulations. The authorities are not entitled to change the date of the change of power. Moreover, I can testify to the fact that meetings and conversations with the president confirm that he intends to see a democratic change of power,

But, unfortunately, it is in electoral legislation that the main problems are currently to be found. We do not have any yet, in effect.

[Pelts] How do you mean?

[Ryabov] As of now the only law with legal force is the law on basic guarantees of electoral rights. Although, as we can see, the law on elections of State Duma deputies has been adopted, the president has exercised his legal right and has not approved it.

I do not intend to suggest how events will develop in the future. I cannot answer for the State Duma. Nonetheless, a way out must be found and I do not want to dramatize

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the situation involving the law following the president's veto, as many politicians are doing at the moment. The deputies still have time to work on the law. The entire package of legislative acts must be ready no later than 17 August. It is then that the new election campaign officially starts.

[Pelts] Nikolay Timofeyevich, I would like to know your view on the following issue. As is known, servicemen are not entitled to put forward their own candidate on party lists. In territorial districts our candidates are regarded as temporary and not very welcome guests. Do you not regard this as an infringement of servicemen's legal electoral rights?

[Ryabov] Absolutely not. Let me explain why. I welcome the idea that the army lies outside the influence of political parties. Let us remember that the army is a specific institution of the state. And to tackle its problems via the deputies' institution is in my view inefficient.

Let us remember the recent past. How did the body of deputies use to be formed? So many workers, so many peasants, scientific intelligentsia, an obligatory milkmaid, miner, and engineer, and so on. I don't think that is democracy. Do we need to take the same path now? How many soldier-deputies would we need? Moreover, in my view, the current so-called military deputies have forgotten about the army, about servicemen's vital interests. To sum up, I want to stress once again that the army's problems must be tackled primarily at state level. This is most in keeping with current realities, with the army's status and position in society.

[Pelts] Allow me then to ask a more specific question. At the last elections the Western Group of Forces, which was still in existence at the time, was recommended not to participate in the elections. But three days before they started another command was issued — vote...

[Ryabov] I take an extremely dim view of such things. Although to some extent I accept responsibility for them. At the time we were unable to properly supervise all, so to speak, floors of the electoral system. I am sure the Central Electoral Commission's position in such situations will be clearer now.

Unfortunately, the idea that law and the rule of law are above any ambition — even ministerial — has not yet become established in society. I can assure you that the Central Electoral Commission's is adamant on this one. We now have every opportunity to defend our position without fearing any consequences of the "master's wrath."

[Pelts] In your opinion, will the upcoming elections differ from the last campaign?

[Ryabov] I am sure they will: You will have a fiercer and more sophisticated election campaign, particularly in party terms. The tone will probably be set by the so-called sofa parties, of which there is a great number in Moscow. Therefore we are preparing for work in very strenuous conditions. We, the Central Electoral Commission, need to be very composed and efficient. No matter how the election campaign turns out, we have to make sure it abides by the rules, that is, the law.

[Pelts] But the Central Electoral Commission has been accused in the past of "breaking the rules," particularly when calculating the results of the voting. Very unambiguous hints are being made even now, particularly in relation to the new "Elections" state automated system.

[Ryabov] A good question. To answer the first part, the Central Electoral Commission's work on the results of the last elections was checked by many authoritative international organizations. The Council of Europe, for example, set up a special investigator commission. Nothing came out of it. Our actions were also deemed legal by an International Tribunal.

As for the "Vybory" state automated [vote registering] system. Do you know, when we introduced journalists to it, we were immediately showered with questions like "Who will press the keys on the computer?" I think the people who developed the system have explained everything in detail. Without going into the technical details I would say that it is impossible to hack into the systems program with malicious intent. And it would take several decades to crack the codes.

But the system does not exclude the "human factor" completely. Members of the precinct electoral commission will still be counting the votes and drawing up the initial voting returns. It is after that that technology comes in. But suppose the systems operator decides to deliberately alter the data or accidentally hits the "wrong key"? This would not work either. When in operation the machine automatically checks the data base values. If, for example, someone decides to increase or reduce the voting figures in the returns the machine will simply not add them up. Moreover, such a "trick" (if anyone should take the risk it) is a criminal offense...

[Pelts] So it is difficult to deceive the machine. But you can take the easier route and buy votes. Many potential party candidates have accumulated a great deal of so-called independent money for this...

[Ryabov] Yes, there are currently many people banking on financial organizations and their support. We saw this coming and clearly stipulated that candidates for the new parliament would have equal financial opportunities. This was not the case before. The maximum

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election fund now is five billion rubles [R] for a party and R200 million for a candidate deputy. They are prohibited from using any financial means other than the election fund. An efficient monitoring system has been devised, as well as a scheme for punishing those "at fault."

[Pelts] In short, the Central Electoral Commission is approaching the elections fully equipped?

[Ryabov] There are still many problems. And the solution of these does not always depend on us in every case. As for the Central Electoral Commission, we will do all we can and a little bit more...

Shortcomings in Law on State Secrets Eyed

MM0706145095 Moscow KRASNAYA ZVEZDA in Russian 7 Jun 95 p 2

[Article by Oleg Getmanenko: "Spy Passions Must Subside. New System for the Protection of State Secrets Is Being Formed"]

[FBIS Translated Text] ....During a search of Vadim Sintsov's garage, FSK [Federal Counterintelligence Service] staffers seized over 360 documents containing information regarding the latest national arms systems and the details of Russian military-technical cooperation with other countries. The director in charge of foreign economic relations at the "Special Machinebuilding and Metallurgy" Joint-Stock Company, a breakaway from the USSR Ministry for the Defense Industry, was recruited by British intelligence in London, where he was on an official tour of duty. High-ranking informers have also been recruited before. But never before have spies found it so easy to or been so brazen about raiding the repository of state secrets. On Sintsov's instructions the personnel at an archive under the joint-stock company's jurisdiction prepared selections of top-secret documents of which he calmly removed copies.

There are sufficient grounds to assume that it was not only the British special services that took advantage of the unique opportunity that presented itself in view of the vulnerability of state secrets and that lasted into 1992 and 1993. The CIA even raised the question of reinforcing analytical subunits, which had become unable to cope with processing the tremendous quantities of information coming from Russia "of their own accord." It was during this period that secret bodies found themselves faced with the shock of reorganization. And perhaps the most important thing is that the previous system for ensuring the safekeeping of state secrets, which had proved highly reliable in conditions of centralized government, began to falter when it encountered the vagaries of free enterprise.

According to FSB [Federal Security Service] estimates, at present over 40,000 enterprises and organizations have access to secret information. Less than 0.5 percent of them are under a state form of ownership. The other establishments — private, joint-stock companies, including some involving foreign capital — have cast off the "shackles" of state control — not just economic control. Now is not the place to discuss whether it is a good thing, for instance, that Western commercial structures have been able to settle in plant buildings where defense output is manufactured. It is not a question of the admissibility of different organizational- legal forms of enterprise coexisting but rather of conducting a long-overdue inventory of these diverse economic facilities to ensure the safekeeping of state secrets.

That is also the objective of recently-signed Russian Federation Government Decree No. 333. It lays down the procedure for licensing the activity of organizations working with information that constitutes a state secret. An undoubtedly important move particularly since specialists take a dual view of the actual legal "framework" — the Russian Federation Law "On State Secrets," which was "finally" adopted by the Russian Federation Supreme Soviet. It did indeed lend their activity a legitimate nature. But plenty of flaws were also discovered — it "highlighted" socioeconomic realities that disappeared into oblivion along with the romanticism of perestroyka. Incidentally, another draft prepared by professionals in the sphere of protecting information was rejected. The current law is not quite linked to current and emergent legislation and now stands in need of substantial changes and addenda. Extensive difficulties are arising as a result. Ranging from holes in the thick fabric of state security to possible violations of the rights of the individual which may quite well be forced into the Procrustean bed of departmental notions of state secrets.

KRASNAYA ZVEZDA has already written about the case of Vladimir Gurdzhiyanets, Aeroflot deputy spokesman, who was sentenced by a Moscow Military District military tribunal for treason in the form of espionage to eight years imprisonment in a strict-regime correctional labor colony. But the trial was postponed for over a month. Why? It was not clear whether lawyer Dmitriy Shteynberg, with whom the relatives of the defendant had concluded an agreement, would be eligible to receive the appropriate right of access to information which constitutes a state secret (and that makes up the fabric of the case). Ultimately the court decided by special ruling, citing Article 21 of the Law on State Secrets, to continue the trial with another appointed lawyer who d[illegible]ve right of access.

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The reaction from the All-Russian Federal Union of Lawyers was sharp. "Today legislation makes no provision for any restrictions on defense counsel's right of access to a case depending on the specific charge. What is more, the law (Article 47 of the Code of Criminal Procedure) entitles a suspect to choose his own defense counsel," a letter to the deputy general prosecutor said. Dmitriy Shteynberg considers the incident an arbitrary transformation of the Law "On State Secrets" from the sphere of administrative law to the sphere of the law of criminal procedure. However, the lawyer acknowledged that the situation is not that simple and the procedure governing a defense counsel's right to tackle this category of case should be regulated by normative.

The inquiry and the court, for all their respect for the person of the well-known lawyer, were reluctant to set a precedent. That would mean legalizing the right to bypass altogether informal restrictions on access to secret information — solely on presentation of a lawyer's ID (which effectively indicates his membership of a public organization).

But the fact remains that until legislators deem it necessary to make the relevant changes to the Code of Criminal Procedure, discussion of this conflict will be confined to specific judicial rulings. (KRASNAYA ZVEZDA learned that the Collegium of Lawyers has proposed that this question be submitted for the consideration of a plenum of the Russian Federation Supreme Court).

With regard to observance of the rights of the individual, experts note far more serious "omissions" in the law. Vladimir Ladyshev, chief of an FSB [Federal Security Service] department, talked about the danger of sinking into the mire of departmental tyranny:

"There has been a change of terminology that is imperceptible to a nonspecialist but which may have extremely serious consequences. Previously state secrets meant information stamped "of particular importance" and "top secret." The list of such information was laid down by a secret government decree. Criminal accountability followed for the loss, disclosure, or transfer of information that fell into these two categories (their departments alone could concretize them).

The law now regards information stamped "secret" as state secrets (for instance, that makes up 90 percent of all the information doing the rounds of foreign trade organizations). Furthermore, the list of the information which constitutes a state secret that has already been drafted — it is undergoing the final coordination process — does not contain spaces for the stamps. This task has been entrusted to the departments. They will decide at their own discretion which information is to be considered particularly important, top secret, or "merely" secret. Even during the triumph of the directive economy the powers of the ministries were far more modest — they only defined information destined for official use and to be stamped "secret," without the current "criminal" context, moreover. Right now one can only guess what may come of all this given the lack of a coordinating body to square the departmental lists with the state "ranking" of secrets.

Experts claim that the concept on which the law on state secrets is based was copied from the U.S. model. Their system is optimized for work in market conditions but it is controlled from a single center revolving around the U.S. presidential staff. A tough mechanism for the introduction of innovations based on a single center is particularly essential in order to establish a qualitatively new ideology in Russia for the safekeeping of state secrets. Regrettably, Russia still does not have a controlling coordinating body similar to that of the Americans — a supradepartmental body, capable where necessary of acting as a court of arbitration.

The state's latest resolute steps to restore order in this sphere can be interpreted in different ways. But one thing is not in doubt: It will be extremely hard to accurately stick to a course that takes account of both state interests and the rights of the individual

Military, Nuclear & Space Issues

Grachev on Defense Ministry Reorganization Plans

LD0706200795 Moscow INTERFAX in English 1832 GMT 7 Jun 95

[FBIS Transcribed Text] Moscow, June 7 (INTERFAX) — Russian Defense Minister Pavel Grachev said the ministry had a "long-term" plan to reorganize the armed forces so that it consist of three parts: ground troops, the navy and the air force.

He said at a meeting of the Military Council of Infantry Troops in Moscow today that all the five major types of armed forces (the ground troops, the navy, the air force, the air-defense forces and the strategic missile troops) would remain in the near future.

The infantry troops' press center chief, Colonel Nikolay Malyshev, told INTERFAX that Ground Troop Commander-in-Chief, Colonel General Vladimir Semenov has "said he is concerned" about the situation in the units subordinate to him. Semyonov has said that in several districts troops are at 30-50% of the target figure.

Semyonov said that one of the main problems was that military equipment was becoming obsolete while the

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re-equipment of troops with modern armaments was insufficient. "If the situation is not improved the ground troop aviation will cease to be by 2005 and a number of units of radio-electronic fighting, communications and artillery intelligence will have a limited military capacity," he went on to say.

Semenov said the armed forces were supplied with modern equipment by only 30%, while the number reached 60% with NATO countries.

He said he was in favor of improving the pre-draft preparation of servicemen and the quality of medical commissions responsible for examining draftees. As many as 11% of servicemen drafted into the ground troops in autumn were of poor health, Semenov said.

Grachev Attends MiG Aircraft Demonstration

MM0706150995 Moscow KRASNAYA ZVEZDA in Russian 7 Jun 95 p 1

[Report by Aleksandr Pelts: "Russian Defense Minister Gets To Know Aircraft and Test Pilots"]

[FBIS Translated Text] Army General Pavel Grachev, Russian defense minister, has visited the Mikoyan flight testing and development base. He watched a flight demonstration by a MiG-29, while on the ground he saw MiG-29C, MiG-29K (the carrier-borne version) and MiG-31 aircraft.

The display began with a solo flight by a MiG-29 flown by test pilot Captain of the Reserve Pavel Vlasov, who executed advanced aerobatic maneuvers.

This was followed by the Strizhi [swifts] group of military pilots, stationed in Kubinka, demonstrating their formation-flying skills. Under the command of their group leader Colonel Aleksandr Kutuzov, Majors Aleksandr Katashinskiy, Andrey Makarenko, Vladimir Chervinskiy, Oleg Lazarev and Lieutenant Colonel Aleksandr Zakharov executed numerous loops and rolls and also performed various advanced aerobatic maneuvers at the lowest possible altitude.

After the flight display the defense minister was shown a new multirole fighter which has been dubbed the aircraft of the century. It will soon be taken up into the sky by Roman Taskayev, chief pilot of the Mikoyan company and Moscow's Dementyev Aviation Production Association.

Gen. Grachev said that he was greatly impressed by what he had seen but that that was not the most important thing. The most important thing is the further modernization of aircraft.

Gen. Grachev also noted that, like other state structures, the flight test base is now experiencing certain financial difficulties. However, given the importance to the state of the work being carried out there and the personal attention paid by the supreme commander to aircraft improvement, the aircraft testers are being helped to find the necessary resources, including Defense Ministry funds.

The defense minister, together with Anatoliy Belosvet, deputy general designer of the MiG Aviation Science and Production Complex, and Sergey Shalnyev, deputy chief designer, answered journalists' questions.

Military Carrier Rocket Launched From Baykonur

LD0806062295 Moscow ITAR-TASS in English 0605 GMT 8 Jun 95

[By Viktor Gritsenko]

[FBIS Transcribed Text] Moscow June 8 (ITAR-TASS) — A carrier rocket, Tsiklon-2, was launched by Russian Military Space Forces (MSF) today at 8:43 [0443 GMT] Moscow time from the Baykonur space port.

The rocket is to bring in orbit another satellite of the Kosmos series in interests of the Russian Defence Ministry.

Tsiklon-2 is the only carrier used by the MFS for military launches.

The launch of Kosmos had been scheduled for June 1 to time it with the 40th anniversary of the Baykonur space site. The launch was later put off for June 7 to remove pomp from the celebrations. However, the rescheduled launch did not take place because of technical reasons.

Statute on Missile Technology Export Controls Amended

MM0706150495 Moscow ROSSIYSKAYA GAZETA in Russian 7 Jun 95 First Edition p 4

[Russian Federation Government Decree No. 521 signed by Premier Chernomyrdin and dated 24 May 1995: "On Amendments and Additions to the Statute on the Procedure for Monitoring Exports From the Russian Federation of Equipment, Materials, and Technologies Used in the Development of Missile Weapons"]

[FBIS Translated Text] In accordance with Russian Federation Presidential Directive No. 193-rp of 25 April 1995 "On the Monitoring of Exports From the Russian Federation of Equipment, Materials, and Technologies Used in the Development of Missile Weapons," the Russian Federation Government decrees that:

The appended amendments and additions to the Statute on the Procedure for Monitoring Exports from the Russian Federation of Equipment, Materials, and

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Technologies Used in the Development of Missile Weapons ratified by Russian Federation Government-Council of Ministers Decree No. 70 of 27 January 1993 (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1993, No. 5 p 396; No. 48, p. 4652) shall be ratified.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government
[Dated] Moscow, 24 May 1995
No. 521

Amendments and Additions Made to the Statute on the Procedure for Monitoring Exports From the Russian Federation of Equipment, Materials, and Technologies Used in the Development of Missile Weapons, Ratified by Russian Federation Government-Council of Ministers Decree No. 70 of 27 January 1993 (in Russian Federation Government-Council of Ministers Decree No. 1178 of 19 November 1993)

1. Paragraph 4 subsection 2, the words "Russian Federation Presidential Directive No. 20-rp of 11 January 1993 (in Russian Federation Presidential Directive No. 744-rp of 19 November 1993)" make read "Russian Federation Presidential Directive No. 193-rp of 25 April 1995."

2. [No No. 1 as published] Paragraph 7 subsection 1, the words "the Russian Eksportkontrol working organ — the Russian Federation Ministry of Economics Export Controls Department" make read "the Russian Federal Service for Currency and Export Controls."

3. Paragraph 8 subsection 2, add the words "and the Russian Federation State Committee for Military-Technical Policy" after the words "the Russian Federation Ministry for Foreign Economic Relations."

4. Paragraph 8 subsection 4, the words "to the Russian Federation Ministry of Economics Export Controls Department (1, Okhotnyy Ryad, Moscow, 103009)" make read "to the Russian Federal Service for Currency and Export Controls."

5. Paragraph 8 subsections 5, 6, and 8, and Paragraph 11 subsection 4, the words "the Russian Federation Ministry of Economics Export Controls Department" make read "the Russian Federal Service for Currency and Export Controls."

6. Paragraph 8 subsection 7, word as follows:

"The conclusion is sent by the Russian Federal Service for Currency and Export Controls to the Russian Federation Ministry of Foreign Economic Relations and, in respect of goods and services relating to the sphere of military-technical cooperation, to the Russian Federation State Committee for Military-Technical Policy. A copy of the conclusion is sent to the applicant."

Transbaykal Draft 'No Worse Than Last Year'

MM0706135595 Moscow KRASNAYA ZVEZDA in Russian 3 Jun 95 p 1

[Report by Major Yevgeniy Shalnev of the Transbaykal Military District Press Center: "Draft-95: News From the Regions. Results in Transbaykal Will Be No Worse Than Last Year" — first two paragraphs are introduction]

[FBIS Translated Text] The current draft of young people into military service in Russia has been under way for two months now. Though there is still a month to go, it is already possible to assess the progress of this campaign which is vitally important for state security. In any case, on the basis of reports coming in from the country's various regions a picture is building up of the current draft's characteristics.

We are today publishing a piece sent to the editorial office from the Transbaykal Military District. In the coming days we will feature reports from other regions.

The Transbaykal Region has 100 percent fulfilled the Russian Armed Forces draft plan for three years in a row now. In the words of Major General Oleg Sviridov, chief of the Transbaykal Military District Mobilization Organization Directorate, such stability is the result of the traditionally close contacts between military commissariats and the leaderships of the republics and oblasts on whose territories the district is situated.

The military assemblies of heads of rayon and city administrations and military commissariats of the Republic of Buryatia and Irkutsk and Chita Oblasts held last month with the participation of the military district leadership, President of Buryatia Leonid Potapov, Governor of Irkutsk Oblast Yuriy Novikov, and Chita Oblast Administration Head Boris Ivanov also strengthened mutual understanding. The Transbaykal Military District open days, meetings of leaders at various levels with committees of soldiers' mothers, and draftee open days held in the region and the live appearances by Colonel General Valeriy Tretyakov, commander of the Transbaykal Military District, in republic and oblast television studios have also had a positive influence on the formation of public opinion.

At the same time it must be stated that it is not proving possible to carry out the draft without problems. The most important of them is the impossibility of financing the work of medical commissions and technical workers at local level and of paying for transportation as

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stipulated by the law "On the Military Service Obligation and Military Service." Not a single kopek had been received for these purposes from Moscow by 29 May 1995. But the draft is under way, and already 5 percent of the young replacements have been dispatched to the troops....

Apart from this, the health of these replacements is giving the military medics cause for concern. For example, 6 percent of young soldiers who entered service in the fall of 1994 to bring the Transbaykal Military District up to strength were sent for tests as in-patients after medical examinations. Also 8 percent of new recruits turned out to be of low weight or underweight. All of them were registered. It proved possible to achieve normal body weight by assigning them extra rations and a light routine. But as Colonel of the Medical Service Sergey Bogachenko, chief of the district's military-medical board, said, one in every five draftees on the military commissariat's roll in 1994 was deemed unfit for military service on health grounds, and one in every 14 received a deferment for this same reason.

Against this general background, draftees in the Irkutsk and Transbaykal Cossack forces look somewhat better. In accordance with a directive of the Russian Federation Armed Forces General Staff, 250 of them will be sent to specially chosen military units: to the guards Port Arthur Red Banner Order of Kutuzov and Bohdan Khmelnytskyy Motorized Infantry Regiment, the Irkutsk Cossack Regiment, and several other units. According to Cossack Colonel Aleksandr Bogdanov, hetman of the Transbaykal Cossack Forces, almost all conscripts have undergone training at camps at the military units' base, where they studied firearms, equipment, regulations, and other military disciplines.

It is not only the Cossacks who understand the need to reinstate elementary military training. For example, in the course of the Transbaykal Military District's open days in the Republic of Sakha (Yakutia) at a meeting with the commander of the district's forces, representatives of the Ministry of Education and teachers in higher educational establishments, technical colleges, and schools unanimously supported an appeal to the Russian Government on the need to reinstate elementary military training in schools as swiftly as possible.

It is, of course, not only these problems which are making the draft difficult to carry out. The recent rise in the number of refusals to appear before draft boards and the virtual absence of any real possibility of calling "draft dodgers" to account is having a significant effect on the course of the draft. The educational level of draftees is also becoming appreciably lower. Nevertheless, within the Transbaykal Military District they are sure that the results of the draft will at least be no worse this year than last year.

Ten Charged in Sverdlovsk Isotope Theft Case

MM0606135095 Moscow TRUD in Russian 6 Jun 95 p 8

[Report by Yu. Dmitriyev: "Isotope Case"]

[FBIS Translated Text] A. Zvyagintsev, senior assistant to the Russian general prosecutor, yesterday informed TRUD that the preliminary investigation into the unique case of the theft of stable isotopes has been completed. This is the first case of its kind to be investigated in our country. Not only was the criminal group involved in the dangerous criminal business detected but its activity, which did the country considerable damage, was also stopped.

Officials in charge of isotope production at the Russian Ministry for Atomic Energy's Elektropribor Combine in Sverdlovsk Oblast were involved in the criminal fraternity. They stole isotopes and sold them both in Russia and abroad. The group observed the rules of security well and operated for a fairly long time. People with eminent academic decrees, including doctors of technical sciences, developed the methodology, means, and ways of stealing the isotopes. They are all involved in the case. Criminal proceedings have been instituted against 10 defendants. Charges have been brought against most of them under Article 147-1 of the Russian Federation Criminal Code, which envisages accountability for misuse of official position with a view to stealing state property on a grand scale, and by an organized group. Some defendants are also accused of buying and selling property known to have been acquired by criminal means, giving bribes, and negligence.

Judicial examination of the accounts has found that damage incurred solely as a result of thefts of isotopes totaled over 48 billion rubles at 1994 prices.

The Russian General Prosecutor's Office has ratified the indictment in respect of this case. It has been filed with the court.

Federal Assembly

Duma Rejects Extra-Budget Fund Bill

MK0806073095 Moscow SEGODNYA in Russian 8 Jun 95 p 2

[Report by Natalya Olenich under the "Refusal" rubric: "Duma Rejects Bill on Extra-Budget Funds.

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Finance Minister Suspected of Intending 'To Use Their Money'"]

[FBIS Translated Text] After a stormy debate that lasted for more than an hour, deputies of the lower chamber finally rejected the government-sponsored bill "On State Extra-Budget Funds." In essence the bill boils down to four key provisions: The budgets of all social funds should be submitted to the State Duma for approval alongside the federal budget; implementation of their budgets should be audited on a mandatory basis; all payments to be channeled to the funds should be collected by the Russian Federation State Tax Service, not separately by individual funds; and their budgets may only be implemented through the treasury, and all their deposits may be kept only at the Central Bank's Settlement and Cash Center, not commercial banks. In addition, the bill calls for all sectoral funds to be abolished. The fate of the sectoral funds did not budge the deputies at all, but regarding social funds, particularly the Pension Fund, a genuine war of words broke out. The most weighty argument against passing the bill was that moves to turn the collection of money for the Pension Fund over to the State Tax Service — and implementation of its budget, to the treasury — would simply wreck the country's pension system.

In the view of Vasiliy Barchuk, chairman of the Pension Fund board, who said that the bill was prompted by "expediency," the State Tax Service will simply be unable to cope with the collection of payments. Vladimir Panskov's counter-argument — to the effect that presently over one-third of enterprises, mostly small ones, are outside the Pension Fund's (or any other funds') field of vision, as a result of which their earnings fall short of what they could be by trillions of rubles — had no effect whatsoever.

The chairman of the Duma labor and social support committee, chagrined by the fact that his committee's negative stance on the bill was not made public, expressed his doubts as to whether the Finance Ministry will be able "to take care of their money more efficiently than the funds themselves do," adding that "Panskov should have said honestly that he wants to make use of it."

Surprisingly, the deputies ignored the key thrust of the proposed bill, whereby spending by social funds would become accountable first of all to the State Duma. Possibly, they simply did not understand this, concluding, as seen from their questions, that from now on all money designated for the funds would end up in the government treasury and, therefore, at the Finance Ministry's disposal.

Two attempts to pass the bill — the second time with the Pension Fund deleted from the list of funds in question — yielded no results. However, earlier the deputies approved — even if on the second try — the budget of the Pension Fund for 1995 and voted with rare unanimity to pass the draft law "On State Forecasting and Programs of Socioeconomic Development of the Russian Federation" in second reading.

Amendments to Law on Prosecutor's Office Made

LD0706221995 Moscow World Service in Russian 1227 GMT 7 Jun 95

[By ITAR-TASS correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 7 Jun (ITAR-TASS)— The State Duma has made amendments and additions to the law "On the Russian Prosecutor's Office." They are contained in the corresponding law that was passed as a whole by the Duma today.

In doing this the legislators failed to agree on a number of amendments to the law "On the Russian Prosecutor's Office" proposed by Russia's president. The president proposed in particular that the law be supplemented by an amendment whereby the Prosecutors's Office supervises not only the execution of existing laws but also "Russian presidential decrees of a normative nature."

Moreover, the deputies rejected the head of state's amendment, providing for the execution of the laws by commercial and non-commercial organizations to be supervised by the Prosecutor's Office.

At the same time, the legislators introduced into the law an amendment proposed by Russia's Agrarian Party faction member Sergey Ponomarev whereby "prosecutors and investigators cannot be members of public associations pursuing political aims and take part in their activities."

The Duma also made an addition to the Code on Administrative Infringements that provides in particular for increased liability for failure to appear when summoned by the prosecutor.

Law on Prosecutor's Office Adopted

MK0806091095 Moscow SEGODNYA in Russian 8 Jun 95 p 2

[Report by Aleksey Kirpichnikov in the "Legislation" column: "The Bill on the Prosecutor's Office Has Been Approved by the Duma. It Is Not Known Whether the Senate and the President Will Support It"]

[FBIS Translated Text] The lower house of the Federal Assembly has approved in principle changes to the draft

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law on the Prosecutor's Office. The document, which was adopted in first reading 12 April, was yesterday expeditiously approved in a second and third reading. Conceptually, the draft has not changed: The Prosecutor's Office retains the function of overall supervision, and the basic details have also been unaffected.

Debate arose over the intention by the presidential side and deputy Anatoliy Lukyanov to include in the list of objects of oversight by the Prosecutor's Office — in addition to state bodies — also "commercial and noncommercial organizations." Duma members decided, however, that this provision will allow corrupt Prosecutor's Office employees to "saddle" nonstate organizations both financially and politically. Especially given that "commercial and noncommercial organizations" are subject to oversight anyway — but only (under the law) with respect to the observance of human rights and freedoms.

The legislators also rejected the "encroachments" by the presidential side on prosecutorial oversight of the implementation not only of laws but also of enforceable edicts by the head of state. It was brought to the attention of Aleksey Ilyushenko, acting general prosecutor and Boris Yeltsin's representative, that laws and edicts have different status and also that there is an Oversight Administration under the president that was created precisely to check on the implementation of edicts by the head of state.

Finally, the deputies' relative intransigence also affected Ilyushenko in person. The president proposed to withdraw a provision whereby after the Federal Assembly rejects a candidate for the post of general prosecutor, the head of state is to present a new candidate to the upper house within 30 days. The deputies' comment in rejecting the president's amendment was caustic: "...in order to avoid in the future a situation that exists today."

Furthermore, the provision that prosecutors of the Federation components are appointed by the general prosecutor in coordination with the representative power bodies of Russian Federation subjects was also retained. The Constitution talks only about "coordination with the components," i.e., allows participation in the coordination procedure also by the executive branch. The deputies ruled out such a possibility, which, according to Ilyushenko, will cause difficulties in the bill's passing through the Federation Council.

Other changes in the document include the general prosecutor's expanded possibilities for turning to the Constitutional Court and other courts; the establishment of his salary at 98 percent (not 100 percent) of the Supreme Court chairman's; abolishing the right of Prosecutor's Office employees with 15 years of service to receive land parcels gratis, and so forth.

Although the original bill was drafted by the General Prosecutor's Office, the approval of the document by the upper house and the subsequent signing by the president are not a foregone conclusion: The balance of interests has clearly not been found. For example, in all likelihood, the cream of the senate (not elected but chosen) is not ready to give Aleksey Ilyushenko a month in office in exchange for the prospect of making the Prosecutor's Office independent from the executive branch.

Draft Law on Pension Fund Contributions Rejected

LD0706205295 Moscow INTERFAX in English 1832 GMT 7 Jun 95

[FBIS Transcribed Text] Moscow, June 7 (INTERFAX) — At its evening sitting Wednesday, the State Duma passed the draft law "On the Budget of the Pension Fund" in the first reading and virtually unanimously rejected the government-proposed draft law "On the Size of Insurance Contributions to the Pension Fund." Only three votes were cast in favor of the document.

According to the draft law, the contribution was to rise by 1%. However, Chairman of the Labor and Social Policy Committee Sergey Kalashnikov, reminded the house that the state owed the fund 7 trillion rubles, while the proposed measure could raise only 1.5 trillion rubles.

None of the two versions of the draft law "On State Extra-Budget Funds" proposed at the sitting were approved. INTERFAX was told in the State Duma press service that both versions could "only improve the wealth of the treasury at the expense of the people's social insurance funds."

The State Duma also rejected the concept for two alternative draft laws on cultural treasures Russia seized during WWII. A conciliatory commission was set up to prepare an acceptable version of the document for its first reading.

Duma Sends Inquiries to Constitutional Court

LD0706145195 Moscow INTERFAX in English 1221 GMT 7 Jun 95

[FBIS Transcribed Text] Moscow, June 7 (INTERFAX) — The State Duma decided Wednesday to send an inquiry to the Constitutional Court on the constitutional compliance of the president's decree of November 29, 1994, on improving the operation of TV Channel 1 and its broadcasting network.

The State Duma also urged the Constitutional Court to initiate a similar procedure in relation to the Federation

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Council's veto on the general principles of organizing the system of state authority in Russia's constituent members.

The State Duma's third inquiry urges the Constitutional Court to provide an interpretation of Article 104 of the Russian Constitution which determines the procedure and schedule of submitting to the president the laws adopted by both houses of the Russian parliament, and the procedure of considering them by the president. This constitutional norm also regulates the procedure and schedule of returning to the president the drafts approved by the State Duma and the Federation Council and twice vetoed by the president.

Roundup of Latest Federation Council Decrees

MM0706141795 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 6 Jun 95 p 5

[Unattributed report: "In the Federation Council"]

[FBIS Translated Text] The Federation Council has approved by means of a decree the Federal Law "On Ratifying the Treaty of Friendship, Good-Neighborliness, and Cooperation Between the Russian Federation and the Republic of Belarus."

The Federal Laws "On State Policy in the Sphere of the Handling of Radioactive Waste" and "On the Minimum Living Wage in the Russian Federation" were rejected. With regard to the latter legal act, the State Duma was requested to set up a conciliation commission to surmount the disagreements that have arisen.

By means of a decree the Federation Council drew the attention of the Russian Federation Government and the Central Bank of the Russian Federation to the unlawful delay in implementing the Federal Law "On Rescheduling Debts Relating to Centralized Credits and the Interest Accrued on Them of Organizations in the Agro-Industrial Complex and Also Organizations Which Carry Out the Transportation (Storage and Sale) of Output (Commodities) to Regions of the Far North and Localities Equated with Them."

The Russian Federation Government and the Central Bank of the Russian Federation are requested to complete within two weeks the rescheduling of debts relating to centralized credits and the interest accrued on them.

Regional Affairs

Helicopter Hijackers in Ulan-Ude Demand Large Ransom

LD0706165395 Moscow INTERFAX in English 1550 GMT 7 Jun 95

[FBIS Transcribed Text] ULAN-UDE, Buryatia, June 7 (INTERFAX) — A Russian-built Mi-8 helicopter and its crew of three along with two ground staff were seized by a group of three masked gunmen at Ulan-Ude airport (Buryatia) early Wednesday, the press office of the republic's Interior Ministry told INTERFAX.

The hijackers have demanded a ransom of 3 billion rubles, weapons and an unhampered flight in the direction of Irkutsk and Krasnoyarsk.

Negotiations are under way with the gunmen who have so far released two of the five hostages.

The operation for freeing the hostages involves members of an Alfa crack unit, local police, security services and transport ministry.

The helicopter had not left by 16:30 Moscow time though it took off and landed occasionally, a representative for the Russian Federal Security Service told INTERFAX. Promises of the demanded ransom have been made.

Police in Ulan-Ude say three masked gunmen penetrated into the airfield at 08:35 on Wednesday seizing the helicopter, its crew of three and two ground staff who were busy preparing it for a training flight.

Hijackers Abandon Helicopter, Escape

LD0706172595 Moscow ITAR-TASS in English 1703 GMT 7 Jun 95

[FBIS Transcribed Text] ULAN-UDE, June 7 (ITAR-TASS) — The terrorists, who hijacked a Mi-8 helicopter in Ulan-Ude on Wednesday morning [7 June], released most of the crew late on Wednesday, forced the pilot to take off and fly the helicopter with them from Ulan-Ude airport to a city suburb, where they disembarked and fled.

None of the crew members was hurt and the helicopter was not damaged.

A police task force is busy hunting the criminals down.

The terrorists who hijacked the Mi-8 helicopter at Ulan-Ude airport on Wednesday morning held the crew as hostages whom they offered to trade for money, food and an unhampered flight to an undisclosed destination. After hours of negotiations, they released the crew.

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The hijackers started out by demanding three billion roubles in ransom for the crew but then cut the figure to 500 million, sources in the Federal Security Service told ITAR-TASS.

They persisted in demanding that weapons and food be delivered to the helicopter and they be allowed to fly where they want.

The chief of the local FSB [Federal Security Service] department and a local prosecutor had been steering the haggling in a way that would effectively lower the danger to the lives of the hostages.

Their efforts were crowned with success — the crew was released and later the helicopter was abandoned by the criminals without damage either to the crew or the machine.

Hijackers Captured; Hostages Safe

LD0806071595 Moscow ITAR-TASS in English 0530 GMT 8 Jun 95

[By Aleksey Subbotin]

[FBIS Transcribed Text] ULAN UDE June 8 (OANA-TASS) — Buryatian police ambushed and arrested the last two terrorists on Thursday who had seized a civil aviation helicopter with its pilots, demanded a three-billion rouble ransom and an unimpeded flight from Ulan Ude airport. None of the hostages was injured. [Moscow Radiostantsiya Ekho Moskvy in Russian at 0500 GMT on 8 June reports: "The criminals who seized a helicopter and its crew at Ulan Ude airport have been detained. Their ringleader Aleksandr Pomaskin gave himself up after negotiations, and the other two, identified as (Anatoliy Afanasenko), unemployed, and (Aleksandr Rusakov), a local cook, were detained this morning."]

The three masked criminals seized the Mi-8 helicopter, threatened to explode a bomb and kill the two pilots and mechanics who were preparing the craft for a flight.

They initially demanded a one billion ransom, food and a flight towards the Siberian cities of Irkutsk or Krasnoyarsk.

Local police talked to hijackers for several hours. The criminals began to increase the ransom demands to two and then to three billion roubles. Finally, police bargained the deal down to half a billion roubles (100,000 USD).

The hijackers also agreed to release the mechanics, but added three Kalashnikov submachine guns to their demands.

In the meantime, officers of the Russian Security Service succeeded to identify the gang leader. He turned out to be Aleksandr Pomaskin, a former pilot of the local aircraft unit.

His mother and former wife were immediately taken to the drama scene and talked Pomaskin into surrendering.

The two other terrorists then ordered the pilots to take off and landed in the outskirts of the city where they fled leaving the pilots unharmed.

According to unverified reports, one of the hijackers fought in Chechnya together with militants loyal to separatist leader Dzhokhar Dudayev. He was reportedly wounded there.

The reasons of the hijack are not clear yet. Police believes that the terrorists either simply needed the money to pay debts or wanted to make a political statement in the airport of Krasnoyarsk where accomplices were awaiting them.

Sakhalin Earthquake Death Toll Rises to 2,159

LD0806103495 Moscow ITAR-TASS in English 0957 GMT 8 Jun 95

[By Yevgeniy Belovitskiy]

[FBIS Transcribed Text] YUZHNO-SAKHALINSK June 8 (ITAR-TASS) — The Sakhalin quake death toll rose to 2,159, the local radio said Thursday [8 June] adding that 383 bodies had been recovered from under the rubble of quake-flattened town of Neftegorsk over the past 24 hours. 295 bodies are impossible to identify, it said.

Rescue work in Neftegorsk is expected to be over by the weekend.

1,190 people from the quake area have already been paid a total of 3 billion roubles (600,000 USD) to bury their dead relatives and as compensation for the killed family members.

Another six billion roubles were allocated by the Sakhalin administration on Thursday for the purpose.

Promised Money Not Reaching Earthquake Region

MM0806091195 Moscow IZVESTIYA in Russian 8 Jun 95 p 2

[Report by Valeriy Gvozdikov: "Money from Moscow Not Reaching Eliminators of Sakhalin Tragedy"]

[FBIS Translated Text] Yuzhno-Sakhalinsk — The central press and radio and television report that the Russian Government has earmarked funds from the state budget in connection with the earthquake in North

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Sakhalin. But one more working day, 7 June, has ended, and the oblast administration has not received a single text of this directive. Although the faxes and telexes are completely in order here.

Meanwhile emergency rescue work in Neftegorsk is being carried out using the 15 billion rubles [R] which entered the oblast administration's account 1 June from the Ministry for Emergency Situations. A special commission for payments created to distribute funds for eliminating the consequences of the tragedy has shared out the last R2.5 billion of this sum. Nearly R12.5 was paid out earlier to those doing the work. The Sakhalin railroad received over R3 billion and the Yuzhno-Sakhalinsk airport and Okha city administration R2 billion and the "Sakhaviatrans" company which is carrying out air shipments of passengers and freight between Yuzhno-Sakhalinsk and Okha on An-24 and An-26 aircraft and Okha airport, where this freight is being transferred from aircraft to helicopters and back. [sentence as published] Each has been paid R1.5 billion.

There is strict accounting for the funds earmarked but the commission has spoiled many accounting documents since they contain no clear justification for the expenditure made and they have not been checked by the oblast administration prices department.

To complete the emergency work and return equipment to the place where it is permanently kept and to recultivate the land, Vice Governor V. Gomilevskiy, chairman of the oblast commission for emergency situations believes a further R28-29 billion will be required. The government knows this and is promising to earmark it. But meanwhile as of the morning of 8 June the oblast does not have a single ruble for the purpose.

One more major item of expense is compensation payments for the victims. With the government's agreement social and medical insurance and employment and federal migration service funds have been left in the oblast for the purpose. In all slightly over R14 billion. The oblast administration believes this money will be enough to pay every victim the two forms of compensation defined by the Russian Federation president's edict — a one-off grant of 20 minimum wages and grants for the dead — up to 200 minimum wages. So far there is nothing with which to pay compensation for lost property (up to R50 million per family). And about R57 billion is required for that. Moscow is also promising this money but not yet sending it.

By 7 June the oblast administration's currency account had received contributions worth a total of $266,000 and 6.11 million yen. This money, V. Rukavets, chief of the foreign economic relations administration, said, will go only on charity for the earthquake victims. Paying for operations, including abroad, the provision of artificial limbs, and other such purposes.

Government Orders Aid Sent Directly

MM0706125695 Moscow ROSSIYSKAYA GAZETA in Russian 7 Jun 95 First Edition p 2

[Untitled Russian Federation Government Directive No. 760-r signed by O. Soskovets, first deputy chairman of the Russian Federation Government, and dated Moscow 3 June 1995: "Humanitarian Freight"]

[FBIS Translated Text] In connection with the appeals for humanitarian aid for the population of Okhinskiy Rayon and neighboring rayons of Sakhalin Oblast affected by the earthquake of 27 May 1995 from various organizations and Russian Federation components, foreign states, international nongovernmental organizations and private individuals:

1. The administration of Sakhalin Oblast is to organize in Yuzhno-Sakhalinsk the reception, registration, storage, and safeguarding of humanitarian aid freight and deliver humanitarian aid to the affected citizens.

2. Russian Federation components' executive organs and organizations are advised to send humanitarian aid directly to Yuzhno-Sakhalinsk from their own resources.

3. The Russian Foreign Ministry, in conjunction with the Russian Ministry for Emergency Situations, is to brief foreign states' governments and international nongovernmental organizations in accordance with prescribed procedure on the nature and need for humanitarian aid and ask that it be sent to Yuzhno-Sakhalinsk.

4. The Russian Foreign Ministry is to provide prompt assistance with the reception of humanitarian aid from foreign states, organizations, and private individuals and provide timely visa support.

5. The Russian Ministry of Emergency Situations is to coordinate the activity of Russian Federation components' executive organs and collaboration with donor countries, organizations, and private individuals in the formation and delivery of humanitarian aid to the afflicted population of Sakhalin Oblast.

6. Goods imported to the Russian Federation customs area as humanitarian aid for the population of Sakhalin Oblast affected by the 27 May 1995 earthquake shall be exempt from customs duties and value-added tax in accordance with the procedure laid down by Russian Federation Government Decree No. 1041 of 8 September 1994 "On the Procedure for Exempting from Customs Duties Goods Imported to and Exported From the Russian Federation Customs Area With a View to

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eliminating the Consequences of Accidents, Catastrophes, and Natural Disasters" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 21, p 2391).

[Signed] O. Soskovets, first deputy chairman of the Russian Federation Government
[Dated] Moscow, 3 June 1995
No. 760-r

Federal Security Operatives Clash With Moscow Police

LD0706210495 Moscow Radiostantsiya Ekho Moskvy in Russian 1940 GMT 7 Jun 95

[FBIS Translated Text] At 2100 Moscow time today Federal Security Service [FSB] operatives and Moscow policemen clashed in Profsoyuznaya Street in Moscow. The FSB men shot up a police vehicle. As a result, one policeman was killed and another wounded. Representatives of the leadership of the FSS and the Ministry of Internal Affairs are now at the scene of the incident.

Russia Releases 3 Foreign Women Detained in Dagestan

LD0706174395 Moscow ITAR-TASS in English 1736 GMT 7 Jun 95

[By Gadzhi Shamov]

[FBIS Transcribed Text] MAKHACHKALA, June 7 (ITAR-TASS) — Russian authorities released an American woman journalist and two French businesswomen detained on the Chechen border in Dagestan, southern Russia, several days ago for violating the visa regime.

"Stephanie Heymann, Noel Quidu and Laurent Hamida were detained for violating visitors' rules in the Russian Federation and were handed over to the Federal Security Service (FSB)," Aleksandr Danilenko, head of the operational and service department of the Federal Border Guards Service in Dagestan told Itar-Tass on Wednesday [7 June].

Danilenko said border guards detained the three women near the village of Sivukh in the Khasav-Yurt district of Dagestan on the border with Chechnya.

They presented themselves as journalists, but their documents proved otherwise — only one of them, Stephanie Heymann, turned out to be a photo journalist working for the American newspaper Delaware State News. The documents of the other two — Noel Quidu and Laurent Hamida, both French subjects — identified them as "authorised representatives for the talks with the Dagestan Association of Joint Ventures and the joint stock company Elorg," Danilenko said.

However, FSB officials in Dagestan denied border guards' statements that they took over the detainees' case, saying that they were handled by the Passport and Visa Service of the Russian Foreign Ministry.

The Dagestan Foreign Ministry said the two French women were detained because their visas had expired, while the American journalist had been accredited in Chechnya and therefore could not be in Dagestan.

After a thorough investigation, all three of them were released and put on a plane bound to Moscow.

N. Ossetian President Urges Regional Summit

LD0706185295 Moscow ITAR-TASS in English 1640 GMT 7 Jun 95

[By Valeriy Shanayev]

[FBIS Transcribed Text] VLADIKAVKAZ, June 7 (ITAR-TASS) - North Ossetian President Akhsarbek Galazov has called to convene a meeting of Caucasian leaders in Vladikavkaz with the participation of President Boris Yeltsin and Prime Minister Viktor Chernomyrdin. In his opinion, during the meeting the sides are expected to discuss the disarmament of illegal armed groups, the refugee problem and the restoration of economic and cultural contacts in the Caucasian region. Galazov put forward this initiative during a meeting with a delegation of experts of the Parliamentary Assembly of the Council of Europe (PACE).

"Tragic developments in Chechnya provoke tension not only in the Caucasian region, but in the South of Russia as well," Galazov said. During the talks the sides discussed ways of reaching the settlement and accord in the region in the context of events taking place in the neighbouring Chechnya.

A delegation of the PACE Sub-Commission for Human Rights intends to visit Ingushetia, Chechnya and Kabardino-Balkaria. Head of the delegation Lopes Henaris said that the commission wanted to study the situation in the Caucasian region, the problem of refugees and displaced persons resettled, and the problem of human rights, especially in Chechnya. The conclusions made by the commission will enable PACE to look into the problem of "unfreezing" the procedure of Russia's admittance into the Council of Europe.

The PACE delegation is being accompanied by the Chairman of the Federation Council Foreign Affairs Committee Vladimir Podoprigora and Chairman of the State Duma Foreign Affairs Committee Vladimir Lukin.

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Dudayev Forces 'Switching to Guerrilla Warfare'

MM0706131695 Moscow KRASNAYA ZVEZDA in Russian 7 Jun 95 p 3

[Report by Petr Karapetyan and Valeriy Gromak: "Even the Mountains Offer the Guerrillas No Protection. Defeat in Southern Chechnya and the Loss of the Main Stronghold at Vedeno Have Predetermined the Dudayev Forces' Tactics"]

[FBIS Translated Text] A large part of Dudayev's forces is taking to the hills, according to Ruslan Gelayev, commander of the southwestern front, and switching from direct confrontation to guerrilla warfare so as to carry out "effective actions" against the federal forces. Some of Dudayev's men, posing as refugees, are heading along the humanitarian aid routes to Groznyy, but others, aware of the futility of further struggle, are laying down their arms. Around 300 gunmen have already surrendered to the federal organs of government on the republic's territory. They include several field commanders.

Dudayev's propaganda is doing its best to play down the significance, the strategic significance above all, that the blow struck against Vedeno will have on the subsequent development of events. However, the thrust of Dudayev's propaganda is quite obvious: It is designed to conceal the scale of the defeat from the field commanders whose formations are in defensive positions in the Nozhay-Yurt and Shatoy sectors. From time to time there are also reports about stubborn fighting on the approaches to Vedeno. In fact Dudayev's men are no nearer than 7-10 km from this population center.

Our troops are also suffering losses. In Baltiysk the funeral ceremony of Guards Captain Igor Yakunenkov has been held. In the past few days' fighting in Chechnya the Baltic Fleet marine battalion, which is operating within the Pacific Fleet's composite regiment, has lost 13 dead and 39 guardsmen wounded.

In Kaliningrad money is continuing to pour into a charity account designed to provide aid for the families of those killed or wounded. The account details are as follows: Kaliningrad (Oblast) 236015, Current Account 141631 at the Baltiysk branch of the Central Bank of the Russian Federation. Routing number 951676, section 301 (aid for the families of the dead and wounded).

Federal Troops Suspend Advance in Chechnya

LD0806104195 Moscow INTERFAX in English 0919 GMT 8 Jun 95

[FBIS Transcribed Text] GROZNYY, June 8 (INTERFAX) — Federal troops have suspended their advance to Chechnya's mountain areas, a spokesman for the press center of the Combined Grouping's Headquarters reported to INTERFAX on Thursday [8 June].

He said that Russian units had been continuing their redeployment in the Shatoy and Nozhay-Yurt sections. "By various estimates, there are up to 3000 militants, possessing heavy arms in these sections," he noted.

The spokesman also reported that federal troops had continued to press militants in the Veden region and clear the area of mines.

According to him, the operation to force militants up to the mountains will continue soon. However, he indicated that federal troops were not going to pursue Dudayev's militants in the mountains.

As was earlier reported, the purpose of the operation launched by Russian troops in the second half of May is to make it impossible for groups of bandits to infiltrate foothills and plains in the republic. Before, there were plans to force militants up to the mountains and block them there.

Economic Issues

Foreign Investment 'Starting To Return'

MM0706125195 Moscow TRUD in Russian 7 Jun 95 p 4

[Report by Vyacheslav Prokofyev: "Our Heavy Debts"]

[FBIS Translated Text] Paris — A meeting has been held in Paris between a Russian delegation headed by Oleg Davydov, deputy prime minister and minister of foreign economic relations, and representatives of creditor-countries within the framework of the Paris Club on the question of restructuring the Russian Federation's foreign debt. This usually means deferring it and also granting preferential repayment terms.

I would point out that the peculiarity of the Paris Club, which was created in 1956, is that although it brings together the 25 or so main creditor-countries, it considers only questions of settling official state debt. Debts to private banks, even though they may be official, are handled by another club — the London Club.

So, from the viewpoint of the Paris Club, our total debt, including the USSR's liabilities, is somewhere in the region of $36 billion. Last year and the year before last Russia had to arrange for the restructuring of first a $15 billion and then a $7 billion debt. On this occasion we are talking about just under $7 billion. As Oleg Davydov said at a meeting with journalists, the Club members, basing themselves on data attesting some stabilization

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in the Russian economy, had the impression that we had emerged from the crisis and that it was time we paid the debt in the classic way, but full recovery is still a long way off. As O. Davydov stressed, Russia will never accept terms that either it is incapable of fulfilling or it sees as inhibiting economic development. We are prepared to pay the debts as the economy grows, in accordance with the actual situation in the country and strictly within the framework of the budget appropriations for this year. Some $6.4 billion have been allocated to service all debts in 1995; last year $4.5 billion were spent on this.

To all appearances, our country's explanations had an effect, and the creditors' euphoria over Russia's potential to service its debts was dispelled. IMF credit of $6.8 billion has also played a part — some of it is being used to service the foreign debt. As well as the deferment that was obtained for this year, the question of the global restructuring of the former Soviet Union's debts was raised in Paris. It was agreed to hold talks on the issue, which apparently may begin this very fall.

Meeting with the Russian minister, TRUD correspondent asked him about foreign investments in the Russian economy.

"We are beginning to get the feeling that capital is starting to return to Russia. Of course, above all in conditions where the ruble is acquiring a degree of stability you get capital coming in that formerly left the country via foreign or offshore companies. There could be an influx of purely foreign investment, which is obviously insufficient at the moment, if a law is finally adopted on 'production sharing,' whereby long-term foreign capital investments are returned in the form of part of the jointly produced product. Such laws operate in all countries around the world, and they fundamentally change the investment situation. We have devised a number of large-scale projects involving foreign investments totaling $40-50 billion, 70-80 percent of which will be implemented by Russian enterprises, but we need the law. It has had its first reading in the Duma, but it just cannot make the second reading. It is an extremely important law for Russia."

Glazyev Challenges Statements on Stabilization

LD0706150295 Moscow ITAR-TASS in English 1130 GMT 7 Jun 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow, June 7 (ITAR-TASS) — Sergey Glazyev, chairman of the State Duma (Russian parliament lower house) Economic Policy Committee, censured on Wednesday statements by some cabinet members on emerging stabilisation of the country's economy.

Referring to available statistical data for the five months of this year, Glazyev told a news conference held at the State Duma today that metallurgy was the only industry that registered a rise.

However, the growth even in this industry was seasonal, prompted by an increase in exports of this economic sector, the committee chairman continued. At the same time, according to Glazyev, production of some consumer goods dropped by 30-40 percent since the start of the year.

The situation is no better in the agro-industrial complex, claimed the leader of the Russian Democratic Party. He noted that data for the first five months warrant a conclusion that production in this economic sector will fall by ten percent by the end of the year.

According to Glazyev, 30 percent of the Russian population lives below the poverty line, while the real wage over the first five months decreased by 30 percent as against the corresponding period last year.

Budget Discussion Held in Krasnoyarsk

MM0806101695 Moscow IZVESTIYA in Russian 8 Jun 95 p 2

[Report by Aleksey Tarasov: "Unprecedented Siberian Accord with Moscow"]

[FBIS Translated Text] Krasnoyarsk — A. Chubays preferred to call the premiere for the concept of the federal budget for 1996 in Krasnoyarsk with the participation of key government figures not a political presentation but a meaningful work. Indeed, there was no public mention of the forthcoming elections, but the political subtext at the extraordinary session of the council of the "Siberian Accord" interregional association was of course there.

The leaders of many Siberian territories displayed enviable activeness in joining V. Chernomyrdin's election association. They were probably right to count on reciprocity. The behavior of the "emperors of the taiga" was also affected by an understanding of how the victory of particular forces at the election largely depends on them. The governors were able to achieve impressive concessions from the center in the reallocation of finances. Here it is a case not of concessions to individual regions; on the contrary, the Siberians demanded equality in budget relations with Moscow for all components of the federation and for the reduction of particularly sovereign republics to a common denominator. The government acquired one more lever of pressure on the State Duma.

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The final decision covers five pages, and according to the assessments of the Siberians taking part in the session, the results were better than they predicted. Many proposals met with simply amazing enthusiasm from the government.

It was not only the regional chiefs who gained and not only Krasnoyarsk Kray Governor V. Zubov who invited A. Chubays, but the Moscow guests, too. The propaganda of successes in the field of economic stabilization and the optimistic assessments and forecasts given in large numbers in Krasnoyarsk fell on unexpectedly fertile soil. Although in the corridors the conference's hosts spoke of the impression that they were living in a different country from the government, the atmosphere in which the government delegation was working nonetheless remained wonderfully loyal.

Yet the Krasnoyarsk people know the rates at which prices are rising in their stores (to judge by the Krasnoyarsk statistics only the dynamic of prices for undertakers' services fits into the present-day inflation level announced by Chubays). Nor are there any grounds for illusions regarding the growth of production measured at the figure of 1 percent, a figure "so dear to us" (as the first vice premier noted). Siberians know that the increase in production in their regions is taking place primarily in the chemical industry and in metallurgy, which operate by tollage [tolling] whereby the lion's share of revenue goes abroad, and it is mainly production waste and smoke that remain locally. The metallurgical giants are probably avoiding ruin only because they are declining to pay taxes and because of the conviction common in all power structures today that the restoration of legality at these enterprises is a luxury that an impoverished country cannot permit itself.

Nonetheless the Siberian leaders kept quiet about this. So the government assault landing on the shores of the Yenisey consolidated new features in relations between the center and the regions. This is the second time the draft budget has been discussed with the territories. The deviation from the office-based style of forming the budget first occurred in November last year in Novosibirsk. However, that event was carried out only for form's sake. It was already impossible to correct the budget. Everything is different today. The executive branch in the capital and in the regions has fears that in the ardor of the election struggle it is possible to produce a budget policy and laws which will kill off the timid and controversial shoots of economic stability. The government, having adopted the slogan of budget federalism, is seeking and finding supporters outside the Moscow political arena. Evidently it is counting on submitting a more modest bill of fare. The first experience can be regarded as successful — the "Siberian accord's" appetites are moderate, and they demanded nothing stupid from the government.

Nonetheless, it is surprising that politicians Chubays and Zubov, who only a year ago seemed to have been definitively split by the transformation of the Norilsk combine into a joint-stock company, were singing each other's praises. Zubov on behalf of the "Siberian accord" supported the increase in import tariffs, which enabled Chubays yet again to say a few "warm" words to the Moscow city authorities and Chubays opposed Norilsk's withdrawal from Krasnoyarsk Kray, for which Zubov has long been struggling with variable success.

The surprising is close at hand. It will be a good thing if these changes do not ruin the treasury.

Paramonova on Central Bank Policy

MK0806103095 Moscow SEGODNYA in Russian 8 Jun 95 p 5

[Interview with Tatyana Paramonova, acting Central Bank chairman, by Aleksey Putintsev under the "Corridors of Power" rubric: "Tatyana Paramonova: We Shall Not Allow a Crisis of Russia's Banking System" — place and date not given]

[FBIS Translated Excerpt] [Putintsev] The president and government leaders have recently been making upbeat statements about stabilization, an improvement in the economy. Do you, the country's chief banker, share this optimism?

[Paramonova] I will say this: One cannot fail to see the first sprouts of the positive. True, these sprouts are still very weak, not very sturdy, but they exist, and this manifests itself in concrete matters. First of all, what is now happening on the currency market. The ruble's positions are strengthening, Central Bank currency reserves are growing, as are Russia's hard currency reserves. At the same time no aggravation in the budget sphere is being allowed, as was the case last year. [passage omitted]

[Putintsev] How do you assess the present state of Russia's banking system?

[Paramonova] As very complicated. The new banking system, as is known, did not begin to take shape until recently. And originally it evolved under fairly liberal conditions, from the point of view of legislative regulation. Of course, we could not immediately apply those high banking standards that are worked out by a special international body — the Basel Committee — whose recommendations are used in virtually all developed countries. This "liberal" period was objective enough. I remember how first commercial banks were

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created: Things proceeded painfully, everybody was afraid that it would not last long, that soon everything would be closed....

Now the situation has changed. I think the time has come to bring all norms regulating banking activity in line with international standards. Of course, many things need to be done gradually. For instance, normatives on capital sufficiency, on risks, and so forth, cannot be introduced overnight, but we need to move in this direction, and move actively. The longer we remain at the "lenient" stage, the worse it will be for our banking system. And apparently, serious banks are beginning to understand this. I have to deal with them almost every day, and I hear increasingly: It is time to bring our rules in line with regular international norms. [passage omitted]

[Putintsev] Some experts have long been predicting a banking crisis.

[Paramonova] Really? Frankly speaking, I have not seen such forecasts, although I do scan quite a lot of them. The point is apparently what to consider a crisis. If it is understood as a collapse of the whole system, there is none. And I think that we shall not allow it, in spite of all the current problems. Some measures have already been taken. That we have obliged the banks to create the necessary reserves and that a limit-allowance on the open currency position has been established, all this can help create a normal environment in the banking sphere, a situation of economic security.

It will be recalled that we had to revoke the licenses of nearly 140 banks. With respect to them, it is a crisis, but not a crisis of the whole system. Quite the contrary, we cut them off in time and thus saved others. Unfortunately, the list of future bankrupts has not been exhausted; there are not a few banks that are past saving. But if we look at the size of their assets, their debts to depositors, this is not a catastrophe. [passage omitted]

[Putintsev] Are you completely satisfied with the law on the Central Bank?

[Paramonova] The first draft law, it will be recalled, appeared back in 1992. Then there were some more drafts, which were prepared painstakingly. The most fundamental one was probably the draft by former Finance Minister Boris Fedorov. It needs to be said that the participation of Duma deputies in working on this law was fairly fruitful in many respects. On the whole, much work has been undertaken. And the final result has not been at all bad. Although some norms of our law, I would like to add, do not quite correspond to principles of international banking. [passage omitted]

[Putintsev] How do you relate to the criticism that has hit the Central Bank after your decision to increase obligatory reserve norms?

[Paramonova] I have a normal attitude to it. We had to take effective measures to reduce money supply growth. Not even reduce it but bring it in line with the actual situation. We have always been aware, of course, that some banks will be confronted with certain difficulties. Especially those that have a high share of currency deposits in their balance. Therefore their reaction could well have been predicted.

Yet the problem had to be addressed in its entirety, and we had no powers to establish differentiated norms prior to the publication of the law on the Central Bank (26 April). The subsequent course of events showed that we acted correctly, although we have had to hear many unpleasant things, including in the press. [passage omitted]

[Putintsev] In the past the Central Bank's monetary and credit policy was described as too soft; now it is being described as too tough. You are even being criticized for "excessive monetarism."

[Paramonova] I do not think that we are pursuing an overly tough policy. I believe that it is normal, in any event, equal to the economic situation that has taken shape in the country. I may be tough myself, but I try to take a sober view of the business. Let us take those obligatory reserves. If their increase was indeed leading to — as one publication put it — the bankruptcy of banks, do you think we would not have reacted to this? Of course, we would have taken a step back, but there is also something else that we are seeing. Today in Russia, especially in Moscow, so many available funds are concentrated in banks that they do not know where to invest them. Look at interest rates, at the liquidity indicators. All this shows that the obligatory reserve norms are not excessive, but actually.... Okay, let us put a period here. [passage omitted]

[Putintsev) Is there a limit to which the current trend for the ruble's growth should be kept?

[Paramonova] This trend is basically conditioned by the actual supply and demand in all sectors of the currency market — both exchange and over-the-counter markets. Not everything here depends on the Central Bank's will, although we certainly seek to maintain a certain dynamic on the rate. It needs to be noted that the range of fluctuations in the rate has expanded. We monitor the situation and see that the process we have been long awaiting has begun: Dollars began to be sold. The role of the ruble as a full-fledged national currency is beginning to strengthen. It is noteworthy

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that the importation of foreign currency has been falling, especially in recent months, and the population has been buying fewer dollars. Even exporter enterprises prefer to sell virtually all of their currency proceeds, although the law, as is known, obligates them to sell only 50 percent.

Last year, as you will remember, the situation was quite different: The population "retreated" into the dollar. Enterprises and banks were doing the same. Whether we like it or not, our economy is strongly "dollarized." This phenomenon became widespread, and it is difficult to break out of this circle quickly. Furthermore, there are many economic factors that affect the rate. One is the balance of payments: It includes thousands of indicators. There are also psychological and political factors. Money is a very sensitive thing. For instance, a month ago Trichet, chairman of the Bank of France, published his report to the president, and the prime minister stated rather sharply that Trichet is wrong. And the franc immediately reacted: Its rate fell.... Returning to our problem, I shall say that prerequisites for the dollar's effective crowding out of circulation are evolving gradually, and the Central Bank will certainly be making an active contribution to regulating this process. [passage omitted]

Saransk Association Granted Anti-Insolvency Cash

MM0806102395 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 7 Jun 95 p 5

[Russian Federation Government Directive No. 741-r, signed by First Deputy Premier Soskovets in Moscow on 29 May 1995]

[FBIS Translated Text] In the second quarter of 1995, the "Saranskiy Mekhanicheskiy Zavod" State Association shall be allocated 11.5 billion rubles until 1 November 1995 on a repayable basis out of the federal budget funds envisaged for the implementation of recapitalization measures and with a view to restoring its solvency and maintaining this association's effective economic activity.

[Signed] O. Soskovets, first deputy chairman of the Russian Federation Government
[Dated] 29 May 1995, Moscow, No. 741-r

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International Affairs

Bosnian Serbs Release Ukrainian Peacekeepers

LD0706132695 Moscow INTERFAX in English 1214 GMT 7 Jun 95

[FBIS Transcribed Text] KIEV, June 7 (INTERFAX-UKRAINE) — As a result of efforts of Ukraine's leadership and assistance of other states and the U.N., on the night of June 6 all 58 Ukrainian peacekeepers, detained by Bosnian Serbs on Bosnia's and Herzegovina's territories for over a week, were freed.

Ukraine's Foreign Ministry reported to INTERFAX-UKRAINE that the Ukrainian servicemen were liberated near the city of Zbornik (Sarajevo) and transported to Novi Sad (the Union Republic of Yugoslavia) by bus.

After a short rest in Belgrade they will go to Zagreb where the UN forces headquarters is located.

Head of the International Organizations Department under Ukraine's Foreign Ministry Vladimir Khandogiy told INTERFAX-UKRAINE that "efforts, unprecedented in their intensity, of Ukraine, other states and the U.N." were undertaken to liberate the hostages. According to him, Ukraine held permanent consultations with states which have influence on the development of the situation in Yugoslavia along diplomatic channels.

Khandogiy mentioned the meeting between Ukraine's Foreign Minister Gennadiy Udovenko and leadership of Yugoslavia's ruling Socialist Party held in Kiev Tuesday among "non-traditional" measures.

Khandogiy reported that the meeting between head of the presidential administration Dmitriy Tabachnik and U.N. Secretary General Butros Butros-Ghali in New York was the last in the series of consultations.

Ukraine's Ambassador to Croatia Anatoliy Shostak reported to Interfax-Ukraine that on Wednesday a convoy of the U.N. peacekeeping forces will deliver necessary food products to the city of Zhepy where Ukrainian peacekeepers are blocked.

Earlier, he said, on agreement with the British battalion food products were delivered to the British and Ukrainian "blue helmets" blocked in the region of Gorazde.

'Firm Position' Outlined on Division of Fleet

LD0706135595 Moscow INTERFAX in English 1214 GMT 7 Jun 95

[FBIS Transcribed Text] KIEV, June 7 (INTERFAX) — Ukraine has outlined its firm position on the division of the Black Sea Fleet in its recent proposals to Moscow ahead of a Friday summit in Sochi between the Russian and Ukrainian leaders, sources in Kiev told INTERFAX-UKRAINE.

Kiev reaffirms the agreement to share out the Fleet on a 50-50 basis, with Russia buying out 31.7% of the Ukrainian part of the Fleet.

The two sides are expected to set the date for flag-raising on Russian and Ukrainian warships, according to Kiev's proposals.

Kiev and Moscow are also expected to go half-and-half in sharing out the weaponry and logistics of land defenses, Marines and the land-based Marine airforce, with the Russian part to be withdrawn from Ukraine by November 15.

Ukraine is ready to sign an agreement with Moscow on leasing bases, installations and infrastructures to the Russian navy.

However, Moscow insists that both the warships and infrastructures be divided on a 50-50 basis.

Ukraine recognizes the right of each commissioned and non-commissioned officer of the Fleet to decide on his own future in line with his citizenship. Kiev proposes that a special commission be set up to tackle such issues.

Ukraine wants special agreements to be signed on these and other Fleet-related issues.

It also suggests negotiations be held on a final solution to the Black Sea Fleet dispute and the bases problem.

Black Sea Fleet: Kuchma Flexibility Unlikely

MM0806101295 Moscow ROSSIYSKAYA GAZETA in Russian 8 Jun 95 First Edition p 7

[Article by Mikhail Shchipanov: "Unassailable Sevastopol. Time To Resolve Protracted Dispute Over Division of Black Sea Fleet"]

[FBIS Translated Text] For all their chronic ambiguity Russian-Ukrainian relations for three years now have largely remained hostage to a question from a children's story: How is the fleet to be divided — in half or fairly? Three years have elapsed since talks on this patently corrosive problem began, there has been a change of president in Ukraine, the ruble has stabilized, and Chernomyrdin has failed to deliver the goods.

After the historic meeting in Massandra it was announced that the key to resolving the problem of the fleet had been found. This was the first time that a formula was mooted which is still around but is not winning people over, namely that the fleet will be divided in half and Russia will then buy some of the ships from Ukraine. However, plenty of water has flown under the

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Black Sea bridge and Russia and Ukraine are still separated by three contentious issues: Should they keep the fleet indivisible, if it is divided how should that be done, and, importantly, where are the units of the former integral Black Sea Fleet to be based?

Now, however, contrary to the appeals of the Federation Council it is clear that the fleet will be divided. Over the last year the most acute question for Russia has been the problem of a base for the fleet flying the St. Andrew's Flag. At first glance the struggle revolved around an extremely specious issue: How is Sevastopol to be defined? Two wordings were in vogue — Sevastopol is the base of the Russian Black Sea Fleet or quite the opposite — the Russian Fleet is based in Sevastopol. Russian representatives pressed for the first wording while Ukrainians upheld the second with a hullabaloo. What is more, Kiev is confident that a "proportion" of the Ukrainian ships should remain in Sevastopol in any case.

The meeting between Boris Yeltsin and Leonid Kuchma in Sochi should begin with that burden of inherited problems. It is beginning in circumstances that are not overly advantageous for Russia, which has over the past year accumulated plenty of reasonable complaints regarding the behavior of its Ukrainian partners. And now Ukrainian generals are fueling the situation by saying that allegedly back in 1992 virtually the whole fleet based in Ukraine's ports was declared the property of the new sovereign country, however such arguments, which are said to be evidence of Kiev's unusual compliance, can only shock dilettantes.

In actual fact over the last few months Kiev has received from Moscow everything that Ukrainians could dream of and has not waived its interests one bit. Our readers probably remember President Kuchma pressing his hand to his throat and saying: That is how much we need Russian oil. The oil was received and in addtion, Ukraine's debt to Russia, which is henceforth directly linked to the procedure for payments in respect of our foreign debts, was refinanced. The IMF did everything it could for Kiev. Admittedly, a fairly tough installment schedule of Ukrainian payments has been drawn up covering a long period of time but Ukraine should not get accustomed to wrecking financial agreements with Moscow.

In exchange, so to speak, Ukrainian leaders with unusual ease invited U.S. President Clinton along as a third party to mediate, embarrassing the latter out of all diplomatic proportion. After all U.S. tactics in the post-Soviet area have long since crystallized: namely to do their utmost to limit Russian influence in the region occupied by the former Union while, however, avoiding direct commitment or what is seen to be involvement in our local affairs. And here Ukrainian leaders clearly overdid it; for some reason the invitation was declined while very sincere hopes for future cooperation were expressed.

This is just an extremely indicative point from the series of "No matter how you feed or heat Ukraine." In actual fact the Crimea crisis, which acted as a special catalyst consolidating the Ukrainian establishment, represented a new factor, which can influence the course of the protracted talks.

National consensus was achieved by the whole Ukrainian political spectrum — from the Communists to rabid nationalists — adopting a supremely tough line toward the Crimean authorities, who were left with no democratic alternative: submit or quit.

As a result President Kuchma's social base expanded most radically, enabling him to rely on the Western oblasts too. Time will pass and fresh problems will relegate the separatism problem to the backburner. But the presidents' dialogue in Sochi will begin in the current, quite specific circumstances which will not do anything to increase Kuchma's inclination to take a flexible approach to resolving the problem.

After all Sevastopol, which we would like to turn into our historic naval base, is part of Crimea and thus remains a very strong patriotic stimulus for Ukraine. For some reason the wording — "Sevastopol is the base of the Russian Black Sea Fleet" — may be rejected from the outset since it allegedly contains preconditions for a violation of Ukrainian territorial integrity. And that is why Kuchma is ordained to demonstrate a certain degree of toughness and inflexibility. Especially since the debts for gas are increasing but the payment dates have not yet arrived. Furthermore one must not forget that Ukraine has announced a referendum, which is designed to strengthen the president's position and thus, for that reason, Leonid Danilovich may display a surprising lack of compromise. In a word there are plenty of attendant circumstances working against a conclusive agreement. And therefore the only option is to rely on the wisdom of statesmen who have already shed both their illusions and their penchant for over-dramatizing difficult bilateral moments.

Kiev must remember that the signing of any treaty that concerns Sevastopol may elicit a highly emotional protest in Russia from those forces which remain confident that Sevastopol did not become part of Ukraine after 1954 and that therefore any formal agreements regarding it only play into Ukraine's hands.

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National Affairs

Kuchma Addresses Supreme Council Session

LD0706183595 Kiev Radio Ukraine World Service in Ukrainian 0708 GMT 7 Jun 95

[Address by President Leonid Kuchma at a session of the Supreme Council session in Kiev — live]

[FBIS Translated Text] Esteemed people's deputies! In the last few days I have held meetings with leaders and members of parliamentary factions and, as Oleksandr Moroz has said, yesterday I had a meeting with the Ukrainian Supreme Council presidium. The discussion of the acute issues surrounding the political crisis that has roused our society and the relations between the legislative and executive powers have given us grounds for considering that we have really embarked on a new level of understanding of the current situation.

Taking into account the above as well as previous conclusions after consulting with various factions, I thought it would be possible and necessary to meet halfway the desires of many deputies with regard to my participation in the Ukrainian Supreme Council session and again express my views on events taking place in connection with the adoption of the law on power. I do not want to dwell on an assessment of those decisions that the parliament and president adopted in attempting to reorganize the state political system in Ukraine. Both the head of state and the higher legislative bodies were guided by their own logic and had their own arguments in favor of steps that had been taken. In some cases our aspirations converged, and we were able to compromise and move forward. There were cases when we were extremely close to achieving a common goal. But we remember all too well the feeling of uncertainty and loss of hope about the possibility of reaching a decision acceptable to all of us. I am convinced we will not forget how we felt when major decisions were implemented and existing contradictions were fully outlined.

I understand it is difficult for the parliament to pursue a single policy as various political forces have to interact naturally within it and when there is an absence of a clear majority. The joint vector does not always go in the desired direction. For this reason I am especially thankful to those people's deputies who were both consistent and persistent in supporting the idea of transforming power into a more optimal model appropriate to the crisis situation Ukraine is in. I am grateful to them that having ended up in an unpleasant situation through no fault of my own but because of a coincidence, they found enough strength and courage not to distance themselves from the ideals they defended because of a deep understanding of the requirements to develop our society.

At the same time I would like you all to know that even now I do not doubt my right to appeal to the people for support during this moment of uncertainty when the contradictions between the legislative and executive powers have become more aggravated. I understand the complexity and ambiguousness of the situation that could unfold in the future, but I am proceeding from the vital necessity of building an essentially new executive power, both in terms of content and structure, capable of acting more effectively in the extraordinary conditions of crisis. Neither do I have any doubt this was probably the only way of avoiding a real confrontation and refraining from forceful actions. I was frank in saying this in my appeal to our countrymen. We all understood that this step was possible but did not really want to believe that it could happen. Moreover, I am convinced it had been caused by the previous logic of the development of power relations. At the same time I think that to a certain extent it helped both the president and the people's deputies to understand they were standing before the abyss beyond which there were no safe options left for events to develop in the country. At the same time we cannot mark time, because society will lose out even more. We are obliged to take the next step. It is an objective necessity. I will not provide arguments to prove its inevitability, but most post-Soviet countries went through this. Ukraine is probably the only one among them where the system of a single executive power structure was virtually completely destroyed.

Without a reorganization of power we will not be able to increase our influence on improving the economy and stabilizing public and political life in Ukraine. This does not depend on the subjective will of the president nor of people's deputies. It is an objective necessity for our future development. I repeat, what will this step consist of? We do not have much of a choice. Either we leave everything without changes and watch as events unfold as they did on 31 May, or once again we attempt to find a compromise and resort to other more considered decisions both for ourselves and for society. I have repeatedly said I support the proposals from a number of factions on concluding a constitutional agreement between the president and the Supreme Council. I now confirm once again that I am in favor of adopting it. Besides, we must understand that this agreement will become the most important political legal act that in an untraditional way will seal the pact between the president and the Supreme Council and create new bases for implementing state power in Ukraine.

This agreement will enable us to form an executive power capable of acting appropriately to the current situation. I am sincerely convinced the agreement will also strengthen the legislative power by depriving it

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of unnecessary administrative functions and speed up the legislative process. Finally, it will lead us out of the complexities of the political crisis, put an end to increasing confrontation, and remove from society the worrying state of uncertainty over the future conflict-free course of events. Ukraine has so far been quite reliable, politically stable, and has been marked by the presence of democratic and lawful principles of building its state. Our duty is to preserve these founding traditions. The agreement that organically includes the law on power does not violate any of these principles. It alone opens the way for Ukraine to join the Council of Europe, which is inclined to consider it as a so-called small constitution.

The constitutional agreement should be stable and not subject to any changes until a new constitution is adopted. This is why I support those deputies who not only consider it imperative that parliament officially adopt this most important act but also that it is sealed by the president and the Supreme Council chairman and people's deputies. This personifies the responsibility of each one of us to adhere to the obligations we have assumed. It is probably not necessary to deprive the more than 100 deputies who were unable to attend today's session because of important reasons from also putting their signatures to the document.

Taking into account the importance of this act, I propose that the president and Supreme Council chairman solemnly sign it tomorrow in the Mariyinskyy Palace, on condition that it is adopted by the Supreme Council today, for I do not propose waiting for it to be signed by those who were are not able to attend today.

Taking into account the temporary nature of the agreement, the president and Supreme Council should speed up the preparation and adoption of the new Ukrainian basic law. I am convinced the real implementation of the law on power will promote the elaboration of many fundamental provisions of the new constitution and their implementation. Obviously, the goodwill of the president and Supreme Council, as manifested through the signing of the constitutional agreement, will not exhaust all the problems of our mutual relations. Particularly at this complicated transitional stage in the life of the Ukrainian society, it is natural that there will be contradictions between the legislative and executive powers.

Moreover, it is an essential factor in the development of society given the constitutional system of division between the branches of power and their desire and will to cooperate. It is exactly teamwork and joint action by us, the Supreme Council and the president, that the people of Ukraine expect.

To be constructive and assert our common intention to cooperate, I suggest, in particular, that a government day at the Supreme Council should be appointed. Such, for example, monthly meetings between representatives of executive power and legislators will not only help to comprehensively analyze and settle any pressing and impending issues but also heighten the efficiency of the political system's operation as a whole and consolidate stability throughout the state.

Our agreement and coordination of actions in the sphere of the economy should rank first. Indeed, there is no need to prove that this at present is the key policy upon the effectiveness of which depend the life and well-being of the state and people of Ukraine.

For us to preempt developments rather than following them and acting as an emergency service, the quality of economic laws and acts should first be considerably raised. Second, their preparation and passage should be sped up. To perform this work, it is expedient to form a permanent group of economists and lawyers from the body of people's deputies, representatives of executive structures, and experts, who would draw up and put forward for consideration by the Supreme Council and the president draft laws, decrees, and instructions. We would benefit from this in terms of both quality and time; i.e., in what we feel is badly needed today. We shall then have a firm hope for a stable legislation, which means a stable state and our compatriots' and world community's trust in that state and in us as its representatives and authorities.

Clearly, this approach requires a moratorium on tiring political deliberations at the Supreme Council or at least their way of dedicating separate sessions to dealing with ideological matters. This will also be for our benefit, particularly in that we shall bring in a practice of continuous work by the Supreme Council in discussions on and the passage of watershed, key documents, as is the case in parliaments of many countries.

In that case, session relays will make sense and will contribute to the prestige of and trust in authorities, and not to the contrary.

Other forms can also be found of extending cooperation between the president and the Supreme Council, such as the introduction of monthly meetings between the president and members of the presidium, leaders of Supreme Council factions and people's deputies.

Esteemed people's deputies: My certainty in stating the constructiveness of our further cooperation is due to my profound conviction that every one of us today will make the only right choice. The meetings during which we looked at the situation with the law on power and the

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constitutional treaty give grounds to believe that it will be so. Civic conscience and awareness of responsibility to the people who vested us with power oblige us to be governed by the interests of all the people and to relinquish political ambitions and the narrow aims of a party in the name of the interests of the whole nation.

Our people have always had a reputation for their patience and actions in a well-balanced and well-considered manner. So let us prove that all of us are worthy of the honorable mission entrusted to us by the nation and state.

Thank you for your attention.

Vote Breakdown on Constitutional Treaty

LD0706213695 Kiev UNIAR in Ukrainian 1600 GMT 7 Jun 95

[FBIS Translated Text] Kiev [No dateline as received] — The parliamentary faction of Rukh [People's Movement of Ukraine] voted in favor of the constitutional treaty virtually unanimously, with 27 votes in favor of and none against. There were no abstentions, but one deputy did not vote.

In the Center parliamentary grouping, there were 25 votes in favor of and none against the treaty. There also were no abstentions, and one deputy did not vote.

The Reforms grouping upheld the treaty by 28 to two votes, the latter being Yuriy Karmazin for Odessa and Oleksiy Shekhovtsov for the Donetsk Region.

Of the Unity grouping, there were 26 votes in favor of and none against the treaty. There were no abstentions; two deputies did not vote.

The Statehood grouping backed the document by 26 votes to one (Volodymyr Chemerys for the Lvov Region).

Of the Interregional Deputies Group, there were 24 votes in favor of and none against the treaty. There was one abstention, and two deputies did not vote.

The Independents grouping supported the treaty by 24 votes to one (Valentyn Symonenko). There were no abstentions or failures to vote.

The breakdown of the vote by the Socialists was seven votes in favor of to eight against the treaty with three abstentions.

Among the Agrarians, 36 voted in favor of and one (Yuriy Slastyon for the Kherson Region) against the treaty with no abstentions.

The deputies outside any factions supported the treaty by 13 to four votes. There were no abstentions but three deputies did not vote.

The Communists opposed the treaty by 14 to 64 votes and four abstentions.

Power Sharing Deal To Help Economic Recovery

LD0706204495 Moscow INTERFAX in English 1826 GMT 7 Jun 95

[FBIS Transcribed Text] KIEV, June 7 [INTERFAX-UKRAINE) — The new power sharing deal will help normalize government work and help lead the country out of economic recession, head of the economic policy commission Oleg Taranov told INTERFAX-UKRAINE.

He believes the parliament will now stop spending half of time on questions which are the government's prerogative.

The parliamentary official prefers Acting Prime Minister Yevgeny Marchuk to form a new government. "We now have the chance of forming a stable cabinet," Taranov said.

Communists Vote Against New Power Sharing Deal

LD0706202895 Moscow INTERFAX in English 1826 GMT 7 Jun 95

[FBIS Transcribed Text] KIEV, June 7 (INTERFAX-UKRAINE) — 64 out of 81 deputies voting against the constitutional treaty between the legislature and government on Wednesday were Communists.

But three Communist MPs voted in favor of the treaty, members of the Reform faction said in a press release.

Other opponents include 8 Socialists, 4 Independents, 2 Nationalists, and one each from three other groups.

The deal was approved by 240 votes for, 81 against and 3 abstentions. 20 deputies did not vote.

Crimea Welcomes Kiev's New Constitutional Deal

LD0706202695 Moscow INTERFAX in English 1826 GMT 7 Jun 95

[FBIS Transcribed Text] SIMFEROPOL, June 7 (INTERFAX-UKRAINE) — Crimean Parliament Speaker Sergey Tsekov described the latest constitutional deal between the Ukrainian legislature and government as "a sensible decision which will have a positive effect on the situation in Crimea".

In an interview with INTERFAX, he said the treaty was "a good example of how to resolve any power crisis in a civilized way."

His Deputy Vladimir Klychnikov, however, said the treaty would not affect the process of drafting of Crimea's own constitution.

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In an interview with INTERFAX-UKRAINE, he said "we find the treaty's clause on Crimea acceptable" because it would lead to internal stability in Ukraine.

Economic Issues

Cabinet To Raise State Wages Ahead of Energy Hikes

WS0706124795 Kiev INTELNEWS in English 0955 GMT 7 Jun 95

["Special to INTELNEWS" by Svetlana Seliutina]

[FBIS Transcribed Text] Kiev, June 6 — The Cabinet of Ministers decided on Tuesday to increase state wages prior to the imposition of household energy rate increases originally scheduled for the beginning of June.

Energy Ministry Economics Department head Volodymyr Trafimov had called for household electric rates to be raised 50 percent, but Tuesday's cabinet announcement cited the need to compensate the people in advance of the increases.

According to the cabinet resolution, the salary of employees financed from the state budget will increase 15 percent this month, with the exception of those individuals whose wage rates are tied to average industry or public salaries.

Stipends for students and post graduates, state aid for separate categories of the population, compensation payments for Chernobyl catastrophe victims will increase 15 percent as well.

Pensions will be raised an average 30 percent.

The cabinet resolution also exempted from penalty charges overdue public utility payments for May and June.

Parliament Privatizes Profitable Crimean Plants

LD0706192395 Moscow Mayak Radio Network in Russian 1530 GMT 7 Jun 95

[FBIS Translated Text] The Ukrainian authorities have practically divided all Crimean property. To date, some 90 percent of the most profitable Crimean enterprises have become the property of the Ukrainian Committee for State property. Kiev is making use of the fact that the Crimean parliament has not yet cancelled its earlier self-introduced moratorium on privatization.

Prospects of Chernobyl Consortium Viewed

WS0706144695 Kiev VSEUKRAINSKIYE VEDOMOSTI in Russian 2 Jun 95 p 6

[Article by Ihor Osypchuk: "'Whales' of Power Engineering Took the Course Toward Chernobyl"]

[FBIS Translated Text] Two quite unexpected and bold decisions on the ChAES [Chernobyl Atomic Power Station] were made this past spring. The first one was a decision announced on 13 April by Ukrainian President Kuchma to shut down the power station by the year 2000. The second decision is an extraordinary move made by the world's most renowned companies, with Germany's [as published] ABB [Asea Brown Boveri] at the head. As we have already reported, the company's representative Percy Barnevik and the Ukrainian deputy prime minister signed a memorandum on cooperation in establishing an international consortium to build a gas-steam electrical power station (PHES) to compensate for the ChAES capacity. They also have become co-chairmen of the consortium. The prospects are as follows: Instead of the current hard currency-earning exports of ChAES-generated power, we will have to use more expensive power to be produced by the new station for repaying credits used for its construction. This will probably affect competitiveness of the Ukrainian kilowatt-hour on European markets, and will surely undermine it on the domestic one. On the other hand, the decision to close the Chernobyl station was forced and warranted by big politics considerations.

Notably, the memorandum was signed only six months after the statement by President Kuchma. The group of companies that signed the document have been presented with a chance (we emphasize, only a chance so far) to participate, virtually on par with the Ukrainian side, in distributing orders connected with the future PHES and, therefore, lay claims to most of them. Perhaps one of the most important memorandum's provisions is the commitment assumed by all sides to search for investors; and only if this is successfully done, the consortium members "jointly implement... projects based on mutual agreements." This is some kind of price that they will have to pay for their special rights — an obligation to participate in a search for financing.

One, however, should not treat literally the provision saying that these companies will be granted special status. Membership in the consortium is open to other large companies. Judging from conversations held with representatives of Western corporate circles, it becomes clear that our typical notion about the capitalist competition is antiquated. At present, the industrial giants are open to cooperation, and prefer to carve the spheres of influence in a gentlemanly manner. It should be noted here

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that Ukrainian enterprises also joined the consortium. In addition, it was stated that 50 percent of the work on the project will be performed by the national industry.

As for the reason why the memorandum has been signed so quickly, it should be said that large companies always have several options in store. So, it is not surprising that ABB reacted so swiftly to the decision to shut down the ChAES.

In fact, the consortium's creation resembles the situation when the cart is put before the horse. For now, it remains unclear whether or not Ukraine will be able to make good on its pledges regarding the Chernobyl station. As in the past year, this depends on whether the West will provide adequate assistance. One will be able to make a judgment about it following the G-7 summit scheduled for 18 June in Halifax, Canada. Ukraine would like to receive a considerable portion of credits in the form of grants. As a reminder, at the G-7 summit last year, a similar sum was not allocated. The situation, however, has changed now. Positions of the G-7 and Ukraine have become considerably closer to one another.

So, if the required amount (about $4 billion) is provided for the closure, there will be no need, at least in the immediate future, to build the PHES. Consequently, there will be no work for the consortium to do. Whatever the case, this formation has already appeared, and the experience acquired during its establishment is, in the words of Mr. Osyka, quite valuable regardless whether the set goals will be achieved.

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Belarus

Immediate Action Demanded for Economic Crisis

LD0806101095 Minsk Radio Minsk Network in Belarusian 0800 GMT 8 Jun 95

[FBIS Translated Text] An extended session of the Cabinet of Ministers is meeting in Minsk on economic problems in material production. The session was opened and is being chaired by the President Alyaksandr Lukashenka.

In his opening speech Lukashenka said that the government created a micro-economic basis to stabilize the economy. However, there are also serious miscalculations. This applies first to the slump in production; in industry this has affected almost half the enterprises. Of 430 major products, 303 of them have had a drop in output, and the situation is simply critical in many enterprises. Manufactured goods have accumulated to the value of tens and even hundreds of billions of rubles at the Atlant Association, at Gomselmash [Gomel Agricultural Machinery], and the Svetlogorsk Khimvalakno [synthetic fibers] Association.

The president spoke in detail also on other problems of the economy and demanded that the government tackle them immediately.

Results of Second Round Parliamentary Elections

WS0706121195 Minsk BELAPAN in English 1101 GMT 7 Jun 95

[FBIS Transcribed Text] The second round of elections to the Supreme Soviet gave 101 MPs. This is official data from the Central Commission for Elections that was made public on June 7. According to the Commission, 56.6 percent of the citizens took part in the voting in the Republic, including 56.4 percent in the Brest region, in the Vitsebsk region — 59.1 percent; in the Homel region — 61.9 percent; in the Hrodna region — 58.9 percent; in the Mahilyow region — 61.6 percent; in the Minsk region — 60.4; and in the city of Minsk — 38.45 percent of the citizens entered in the voting register. The results of the voting were declared valid in 129 constituencies. MPs were elected in 101 election districts. In 28 constituencies all candidates failed to receive the necessary number of votes. In 87 constituencies the results of the voting were declared null and void because less than 50 percent of the voters registered went to the ballot-boxes.

Among the newly-elected MPs there are 44 independent candidates; 25 members of the Agrarian Party; 24 members of the Party of Communists; and 2 representatives of the Party of People's Accord. The Belarusian Social-Democratic Hramada [movement], Belarusian Peasants' Party, Belarusian Party of Greens, Belarusian Socialist Party, Republican Party of Labour and Justice, and the Belarusian Patriotic Movement are represented by one MP each. Repeated elections to the Supreme Soviet of the 13th convocation will be conducted in 141 constituencies. The date of the elections is to be fixed by the Central Commission for Elections.

Friendship Treaty Talks Held With Slovak Officials

WS0806082195 Minsk BELAPAN in English 0710 GMT 8 Jun 95

[FBIS Transcribed Text] Experts of the Slovak Republic and the Republic of Belarus met at the Ministry of Foreign Affairs of Belarus from June 6-7 to work out a draft treaty on friendly relations and cooperation and a draft intergovernmental agreement on visa free travel. According to information received from the Belarusian foreign office, the delegation of experts were headed by the director of the department of international law of the Foreign Ministry of Slovakia I. Greks and the chief of the agreement-legal board of the Belarusian Ministry of foreign affairs U. Sakalowski.

Moldova

Snegur, New Russian Envoy Confer on Dniester

AU0706135095 Chisinau INFOTAG in English 1724 GMT 6 Jun 95

[FBIS Transcribed Text] Chisinau INFOTAG, 6/6/1995 — The new Russian ambassador extraordinary and plenipotentiary to Moldova, Aleksandr Papkin, handed in credentials to President Mircea Snegur today. At the talk that followed the ceremony President Snegur assured the Russian diplomat that every support will be rendered to him in his activity aimed at bettering the welfare of the two nations.

The president pointed out that "our states have to solve complicated problems of the transition period, including the one in the eastern Moldovan areas." Speaking about that aspect of the Moldovan-Russian relations, Snegur emphasized the agreement of 21 July 1992 and underlined that the diplomats of the two countries should be more active in tackling the matter. In his opinion Russia plays a special role in the Dniester settlement. Proceeding from that, Snegur suggested to inform President Boris Yeltsin on the real state of things in the region, and on the new draft law on the region's special status, which is to be discussed tomorrow at a meeting with Tiraspol authorities. The draft is based on recommendations of the OSCE Permanent Mission to Moldova. The problems of settling the Dniester conflict will be discussed also with Boris Yeltsin late June in Moscow. Last Monday, Snegur requested Vladlen Vasev, the Russian president's special envoy, to inform

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Yeltsin on the problems. Vasev and the OSCE Mission are intermediaries at the negotiations with Dniester.

Aleksandr Papkin confirmed that Russia is ready to further assist in settling the dispute, proceeding from the assumption that Moldova is an independent and territorially integral state. Speaking about the implementation of the [14th] Army Withdrawal Agreement, the sides have pointed out that, regardless of the State Duma's position, the final decision belongs to the head of state — President Boris Yeltsin.

Papkin made a statement for the press in which he named the Moldovan-Russian relations as "very good," and assured he would promote their further deepening, for "political processes bear no pauses." He spoke for more active contacts between the leaders of the two states.

Background information: Aleksandr Papkin was born in 1936. Graduated from the Moscow Institute of International Relations. On diplomatic service since 1959. Worked in Romania, Madagascar, and Guinea. USSR Ambassador to Senegal and Gambia in 1987-1991. Deputy chief of the African Department in the Russian Ministry of Foreign Affairs since 1994. Fluent in French, Romanian, and Portuguese. Married, has a son.

Snegur, Smirnov Hold Meeting on Transdniester

LD0706115095 Moscow INTERFAX in English 0917 GMT 7 Jun 95

[FBIS Transcribed Text] CHISINAU, June 7 (INTERFAX) — On Wednesday [7 June] President Mircea Snegur and President of the self-proclaimed Transdniester Republic Igor Smirnov met in Snegur's suburban residence. The agenda of their meeting includes a discussion of the situation in Transdniester and draft decree on special status of the Transdniester region.

Chairman of the OSCE permanent mission in Moldova Mikhael Whigent and special representative of the Russian president Ambassador Vladlen Vasev are attending the meeting as mediators.

Opening the meeting, Whigent voiced a message from OSCE acting chairman Laslo Kovac. The message welcomes Chisinau's and Tiraspol's decision "to resume negotiations at the supreme level which are aimed at finding solution of the Transdniester conflict."

Kovac underlines that "those measures which were discussed before failed to bring about a possible political decision and they are inappropriate in order to ensure stable and long-lasting reconciliation of the people."

"Reconciliation necessitates time, tolerance, honest efforts of all people of goodwill. Being political leaders, you carry the major responsibility for reconciliation. At the same time as searching for a political solution you should restore and strengthen broken economic, social, and cultural relations and other spheres of human activity," Kovac's address says.

Chisinau, Tiraspol Agree To Resume Dialogue

LD0706174095 Moscow ITAR-TASS in English 1525 GMT 7 Jun 95

[By Valeriy Demidetskiy]

[FBIS Transcribed Text] CHISINAU, June 7 (Itar-Tass) — The Moldovan-Trans-Dniester summit held in the Chisinau suburbs on Wednesday [7 June], brought no cardinal shifts in the Transdniester settlement. However, both sides evaluate it as an important step on the way towards agreement, as they managed to come to terms in a number of issues concerning the restoration of economic and other relations.

Moldovan President Mircea Snegur said after the talks behind closed doors that "interesting aspects emerged in negotiations about the status of the Trans-dniester region, which have to be further worked on."

Transdniester leader Igor Smirnov believes that "the Tiraspol-Chisinau talks, resumed after a four-month interval, have neared the solution of the principal question — the elimination of the threat of a new outbreak of war in the Transdniester region."

The Moldovan delegation at the talks presented a bill on a special status of the Transdniester region, envisaging its wide autonomy within the frameworks of a united Moldova. President Snegur said that the bill was based on OSCE proposals, as well as some requests of the Transdniester side.

Transdniester leaders made a counter-proposal to start with strictly delineating responsibilities between Tiraspol and Chisinau, and only after that talking about the region's state-legal status.

Moldova evaluates this motion as Tiraspol's attempt to build relations on an inter-state basis, which it deems unacceptable.

Transdniester state secretary Valeriy Litskay, in his turn, described Chisinau's proposal as "a status of a Mid-European autonomy with limited rights, which is already in the past for Tiraspol, especially after the armed conflict."

The two sides finally agreed to continue the Chisinau-Tiraspol talks with participation of the Russian President

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and OSCE. The talks have been going on for over a year now, but have recently slowed down.

The agreement on monthly meetings of Moldovan and Transdniester leaders was not observed either. During the last such meeting on February 15, the sides failed to come to terms in the issues of power bodies, financial system, and external policy of the Transdniester region.

This is why it is significant that during today's summit the sides agreed to meet on July 5 and continue the dialogue.

Iranian Delegation Visits To Discuss Economic Cooperation

AU0706201495 Chisinau INFOTAG in English 1634 GMT 6 Jun 95

[FBIS Transcribed Text] Chisinau INFOTAG, 6/6/1995 — On May 29 to 31, Moldova was visited by an official Iranian Governmental delegation headed by vice president, head of the cabinet of ministers, Dr. Hasan Habibi. The two sides negotiated development of the bilateral economic cooperation between the Republic of Moldova and the Islamic Republic of Iran.

As a result of the visit Moldova and Iran signed intergovernmental agreements in the fields of agriculture, international transport, customs activities, attraction and protection of investment, industry, and civil aviation.

The governments signed memoranda on cooperation between the countries' central banks, on scientific and cultural cooperation, and the convention on avoidance of double taxation.

Background information: Late in 1994, Moldovan Prime Minister Andrei Sangheli visited Iran and signed an agreement on delivery of 3.5 million tonnes of crude oil at prices lower than world ones. These accords stipulated that Moldova shall repay 50 percent of the oil supplies through barter transactions.

The above Iranian delegation showed interest to purchase Moldovan sugar, sunflower oil, to supply 55 thousand Iranian engines to the Chisinau tractor factory to produce mini-tractors to be subsequently exported to Iran, and to biological methods of plant protection.

Unfortunately, Moldova does not dispose of such great quantities of sugar (50,000 tonnes,) sunflower oil (20,000 tonnes,) which Iran would like to import. In 1994, for instance, the republic produced only 22,000 tonnes of oil. And shortage of sugar forces Moldovan canneries to import the product from other countries.

In May 1995, the State Fuel Association and the National Iranian Oil Company signed a contract on supply of 2 million tonnes of crude oil for a convertible currency. The oil will be transported by tankers to the Romanian port of Constanta and processed at Romanian refineries. Accounts shall be settled in ready oil products.

According to our data, the State Fuel Association is actively negotiating a $50 million credit from the Dresdner Bank (Germany) against government's security. The association sent an application to the bank notifying readiness to repay a 7 percent annual interest provided the credit is granted for 10 years.

The association signed a contract with Rafirom company of Romania for refining the crude oil to be purchased by Moldova. Rafirom works in close contact with several Romanian oil refineries operating at a mere one third of their technical capacity at present. Oil yield in Romania fell from 20 million tonnes in 1990 to 7 million tonnes this year. The depth of oil refining in that country does not exceed 50 percent. The processing of a tonne of crude oil will cost some $15 to 17 to Moldova.

While searching for an alternative for storing and processing the crude oil, the State Fuel Association got in contact with Motoroil company of Greece, which offered more advantageous terms. Motoroil is ready to accept, store and refine 2 million tonnes during each year, at $12 per tonne.

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Kyrgyzstan

Defense Minister Subanov Leaves for Brussels

LD0806072095 Moscow ITAR-TASS in English 0601 GMT 8 Jun 95

[By Boris Maynayev]

[FBIS Transcribed Text] BISHKEK, June 8 (ITAR-TASS) — Defence Minister of Kyrgyzstan Myrzakan Subanov has left for Brussels. As the Defence Ministry's press service reported today, the Kyrgyz defence minister will take part in a meeting of representatives of the "Partnership for Peace" member-countries.

A small army with a strength of 13 thousand people which meets all requirements of modern warfare has been created in Kyrgyzstan. Kirgizia's military doctrine is based on defence principles. The Kyrgyz 300 strong batallion takes part in operations to defence the Tajik-Afghan border within the CIS peace-keeping force.

Regional Conference Backs Plan for Permanent Forum

LD0706201795 Moscow INTERFAX in English 1827 GMT 7 Jun 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The Issyk-Kul conference of five Central Asian states (Kazakhstan, Kyrgyzstan, Uzbekistan, Tajikistan and Turkmenistan has backed President Askar Akayev's initiative for a permanent forum on sustained regional development).

Such forums will be held annually in one of the five states, Bakyt Abdrisayev of the administration's international department told Interfax. He said the region's best brains would take part to work out programs for further regional cooperation in economic, environmental, and social areas.

Abdrisayev also said the latest conference approved a resolution to set up a regional coordinating council for the workforce and migration and a proposal for a regional program to fight against drug trafficking. One other proposal provides for fleshing out specific programs before submitting them to the governments of the five states.

On the economic front, a program was unveiled on liberalization of internal currency markets and a resolution approved on founding a regional economic review.

The three-day conference held at a government retreat on the Issyk-Kul Lake shores was sponsored by the Kyrgyz foreign ministry and attended by UN experts.

Deputies in 'Heated Debate' on Constitutional Court

LD0706211695 Bishkek Kyrgyz Television First Program in Russian 2002 GMT 7 Jun 95

[FBIS Translated Excerpt] A plenary session of the Legislative Assembly of the parliament was held today. The deputies discussed the agenda at the beginning of the session The work began with a discussion of the Constitutional Court issue. This gave rise to heated debate.

Many of the deputies are not against the Constitutional Court; they are against the membership of the court, which is in breach of the constitution, and they are against the fact that the law on the Constitutional Court contains gross breaches. It would make sense to discuss the Law of the Constitutional Court of the Kyrgyz Republic first of all, and then the issue of swearing in the court.

This was a sore point, because last week the speaker of the Chamber of the People's Representatives of the Supreme Council of the Kyrgyz Republic swore in the Constitutional Court. In the opinion of the Legislative Assembly deputies, this constituted a breach, because it is the president of the Kyrgyz Republic and the speakers of both chambers who must do the swearing-in.

Of course this step was unconstitutional. To my deep sorrow, Cholpon Tursunovna Bayekova [Constitutional Court chairwoman] also agreed to this step. It is an unconstitutional step because the Supreme Council does not exist per se with just one chamber; it exists with two chambers. And this act agravated the situation still further. If it were not for that event on Friday, today's debates on the Constitutional Court in the Legislative Assembly might have taken a different turn, because many deputies were inclined to think we should get out of the deadlock in an unambiguous way: we should swear in the Constitutional Court, even though many deputies thought it necessary to abstain.

So I cannot now tell how this debate will end, but it will be very a tough one.

There can only be one solution: to separate the powers of the Legislative Assembly and the Assembly of People's Representatives by means of a decision taken in a a referendum. This can be done only by constitutional law. That will be possible only when we swear in the Constitutional Court. So, sooner or later we must come to this decision. [passage omitted]

It was only at 1300 this afternoon that 17 of the 28 deputies voted in favor of instructing the speaker of the Legislative Assembly to swear in the Constitutional

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Court, bearing in mind the comments made during the discussion. [passage omitted]

Tajikistan

Moscow, Dushanbe Negotiate Dual Citizenship

LD0706180895 Moscow INTERFAX in English 1550 GMT 7 Jun 95

[FBIS Transcribed Text] Dushanbe, June 7 (INTERFAX) — The Russian and Tajik governments are negotiating the possibility of dual citizenship, Russian CIS Affairs Minister Valeriy Serov told INTERFAX in Dushanbe Wednesday [7 June].

He believes that dual citizenship is quite realistic because an agreement to this effect has been reached between Russia and Turkmenistan. Serov said that an agreement can be signed very shortly.

Serov who is in Tajikistan for a three-day visit had a meeting with Tajik President Emomali Rakhmanov Wednesday.

Serov told journalists that the purpose of his visit is to negotiate the specifics of putting the bilateral economic agreement into effect.

He said that an understanding has been reached on cooperation in numerous areas, in particular, construction of the Rogun hydroelectric power station which was interrupted three years ago.

Serov and Rakhmanov are to go to Rogun, east of Dushanbe, to agree on a program of completing the construction.

Military Leaders, Defense Ministry Meet in Dushanbe

LD0806081895 Dushanbe Radio Tajikistan Network in Russian 0400 GMT 8 Jun 95

[FBIS Translated Text] A meeting of the military board of the Defense Ministry of the Republic with the participation of Defense Minister Major General Sherali Khayrulloyev and his deputies; commanders of branches of the Armed Forces in the country; heads of departments and the general headquarters; commanders of military formations and units; representatives of the military prosecution organizations, military court, and military registration and enlistment offices has been held in Dushanbe.

Issues of the units' readiness for action and mobilization were discussed and ways of solving the problems that have arisen as a result were worked out at the meeting. There was discussion in particular on remanning the Armed Forces with officers and warrant officers as well as with young soldiers from among the conscripts who began their active military service in spring this year.

Turkmenistan

Jovanovic, Yugoslav Counterpart Discuss Relations

LD0506161895 Moscow ITAR-TASS in English 1511 GMT 5 Jun 95

[By Anna Kurbanova]

[FBIS Transcribed Text] Ashgabat, June 5 (ITAR-TASS) — Yugoslav Foreign Minister Vladislav Jovanovic arrived in Ashgabat from Yerevan on Monday [5 June] for talks with his Turkmen counterpart Boris Shikhmuradov to discuss the establishment of diplomatic relations between the two countries.

On Tuesday, the Yugoslav foreign minister will meet Turkmen Vice-Prime Minister Valeriy Otchertsov, who is also the minister of economics and finance, to discuss prospects for economic cooperation between Yugoslavia and Turkmenistan.

Niyazov Increases Purchase Price of Farm Products

LD0706201995 Moscow INTERFAX in English 1804 GMT 7 Jun 95

[From the "Presidential Bulletin" feature No. 106 (850): compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] The purchasing prices of farm products will be increased by an average of 10 times, President Saparmurad Niyazov told a conference of agricultural workers in Chardzhou, a regional center in the east of the country, Tuesday.

He made a three-day tour of the eastern parts of the country to see for himself how winter crops are harvested.

Niyazov also said that the state granted the agriculture a 20 billion manat credit, of which six billion have reached the regions. Farmers will not have to pay the income tax during the harvesting.

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Armenia

President Lauds Levels of Relations With Russia

LD0706182395 Moscow INTERFAX in English 1616 GMT 7 Jun 95

[FBIS Transcribed Text] YEREVAN, June 7 (INTERFAX) - Armenian President Levon Ter-Petrosyan said Wednesday [7 June] his country's cooperation with Russia had benefited from the last CIS summit.

Cooperation between the two former Soviet republics was made more effective by agreements signed at the summit, held in the Belarusian capital, Minsk, on May 26, Ter-Petrosyan told a news conference in Yerevan following a meeting with the visiting director of Russia's Federal Border Guard Service, Andrey Nikolayev.

Nikolayev, who arrived in the Armenian capital earlier in the day, told the news conference he and Ter-Petrosyan had discussed the possibility of stronger protection for the "external borders" of the CIS.

Later Wednesday, the border guard chief leaves for Georgia, where he is due to meet head of state Eduard Shevardnadze Thursday and later that day visit Russian border guards stationed in Batumi and Poti.

On June 9, Nikolayev plans to visit Russia's Stavropol and Krasnodar territories.

Government Obstructs Grigoryan's Registration

NC0706194295 Yerevan NOYAN TAPAN in English 1526 GMT 7 Jun 95

["Armenian Prosecutor's Office Drags Out Registration of Gagik Grigorian's Candidacy for Participation in Parliamentary Elections" — NOYAN TAPAN headline]

[FBIS Transcribed Text] 07/06/95 NOYAN TAPAN — According to information provided by the Head Office of the Scientific-Industrial and Civil Union (SICU), the Central Electoral Commission have already registered a list of candidates-representatives of the Scientific-Industrial and Civil Union, who are to participate in parliamentary elections according to the proportional rule.

However, the above-mentioned list was approved at the time when one of the leaders of the Union, Gagik Grigoryan, whose name is also included into the list is kept in a solitary confinement. For about two weeks the Central Electoral Commission have been requesting the Armenian Prosecutor's Office to present a special document providing for a registration of Gagik Grigoryan's candidacy. However, the Armenian Prosecutor's Office have not so far reacted to these requests by the Commission.

The Chairman of the Scientific-Industrial and Civil Union (SICU), deputy of the Armenian Supreme Council Aghasi Arshakyan said that at present a number of precinct electoral commission are exerting pressure on the candidates-representatives of the SICU with the idea of blocking their registration. According to him, such actions will be first of all taken in those precincts where candidates, who are on the top of the list presented by the "Hanraptuyun" (Republic) bloc (the bloc also includes the ruling Armenian All-National Movement Party) will run for a deputy mandate.

Communists Seeks To Unite With Opposition in Elections

NC0706194195 Yerevan SNARK in English 0951 GMT 7 Jun 95

[FBIS Transcribed Text] Yerevan, June 7 (SNARK) — Sergey Badalyan, First Secretary of the Armenian Communist Party, stated in his interview with SNARK that Armenian Communists are negotiating with opposition parties to unite their efforts during the election campaign. They want to provide free elections and to attain negative results at the Constitution referendum. Opposition leaders, such as Hayrikyan, announced the Communist Party as his ally. However, Badalian does not share this opinion. He said Communists support the Opposition only in issues concerning the free elections and the Constitution referendum. Unlike the opposition, rallies which demonstrate the political unity are unacceptable for Communists. They prefer active work with people. Currently they are working in many regions of Armenia. Badalyan hoped that the election results will show the advantage of their activity.

Turkish Paper Refuted on Nuclear Plant Safety

NC0706194595 Yerevan NOYAN TAPAN in English 1621 GMT 7 Jun 95

[FBIS Transcribed Text] 07/06/95 NOYAN TAPAN— According to the Turkish "HURRIYET" daily, the Armenian Minister of Fuel and Energy Miron Shishmanyan denied the allegation by correspondents of the newspaper that the Armenian Nuclear Power Plant can become a new Chernobyl, saying "there is no connection between the Nuclear Power Plant of Armenia and that of Chernobyl." Shishmanyan said that the Armenian Nuclear Power Plant is the safest among the nuclear power plants of the former Soviet Union. According to the daily, the Armenian Minister of Fuel and Energy said that he would not allow the reactivation of the Nuclear Power Plant unless Russian, Armenian and international experts confirm its safety.

Minister said that the Armenian Nuclear Power Plant is a modern construction, however, according to the

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newspaper, some of IAEA's (International Atomic Energy Agency) officials announced that the nuclear power plants of this type do not meet Western standards. For instance, it is impossible to prevent radiation at the Plant.

Miron Shishmanyan did not specify the date of reopening of the Armenian Nuclear Power Plant, however, assured that the reactivation would take place in summer, "HURRIYET" reports.

"Many Armenian Ministers and specialists, with whom we met, say that Armenia could implement important programs with Turkey to solve its energy and fuel problem. They, in particular, mentioned that the electricity transmission line existing between Turkey and Armenia could be brought back on line and Armenia is ready to purchase electricity from Turkey. Besides, the Armenian officials suggest both countries starting joint construction of the Hydro Power Plant on the River Arax. Armenia may prolong the gas pipeline and transport natural gas coming from Turkmenistan and Russia to Turkey", Armenians say. "These suggestions by Armenia are worth of discussion", the "HURRIYET" concludes.

Azerbaijan

Aliyev Receives Russian Deputy Minister Chernyshev

NC0706185795 Baku TURAN in English 0921 GMT 7 Jun 95

[FBIS Transcribed Text] Baku (June 7) TURAN — Last evening President Aliyev received Russia's Deputy Foreign Minister, Albert Chernyshev.

"The new stage in development of relations between Russia and Azerbaijan begins and the purpose of my visit is to feel the political pulse of each other", Chernyshev said. The guest mentioned during his visit to Baku he felt that the relations between two countries are being developed in the line of ascent.

Chernyshev said that in Baku he discussed the Karabakh issue and the Caspian status. "I think that we must discuss such issues together", he pointed out.

President Aliyev said that Russia takes the priority place in Azerbaijan's foreign policy and the talks about Moscow's negative attitude towards Baku are groundless. "The war in Karabakh shows that there is no necessity for Azerbaijan in creation of new front", President Aliyev mentioned.

At the same time President expressed dissatisfaction with the fact that Moscow is inconsistent in its activities. The promises of the Russian Government to open the border between two countries are still not fulfilled. "Such situation continues despite stabilization of the situation in Chechnya", Aliyev mentioned.

Addressing to the Armenian-Azerbaijani conflict, President said that "Russia must understand that Azerbaijan will not reconcile itself with the occupation of its territory. The advantage of the Armenians can be temporary, but not eternal. The truce has been continuing more than year, but it does not mean that we will celebrate the second anniversary of the cease-fire in the same situation", he said.

As far as the Caspian status is concerned, President Aliyev said: "If there is a problem, it must be settled without playing games. Out of the pri-Caspian states we have more grounds than others to claim on the property of the sea. All infrastructure, transport, scientific and technical potential are in Baku, but not in Astrakhan or Makhachkala. Up to now all sea gas oil and biological resources of the Caspian have been developing by Azerbaijan and none of the coastal states, including Russia, has such opportunities like Azerbaijan has", President Aliyev says. He positively assessed the activities of Russian Ministry of Fuel and Energy, which actively cooperates with Azerbaijan.

Azeri President said that the statements of the Russian Foreign Ministry that it does not recognize the "contract of century" are groundless. "We do not pretend on the property of the former USSR, which Russia received after the collapse of the Union and we do not say give us two rooms in the former Embassy of the USSR somewhere abroad".

Then the meeting continued behind the closed doors.

Chernyshev on Military Base Issue

NC0706194395 Baku TURAN in English 1105 GMT 7 Jun 95

["Russia Does Not Insist on Creation of Its Military Bases in Azerbaijan, Albert Chernyshev Assures" — TURAN headline]

[FBIS Transcribed Text] Baku (June 7) TURAN — Russian Deputy Foreign Minister, Albert Chernyshev, during the briefing after his meeting with Hasan Hasanov acknowledged that he discussed the issue concerning Gabala Radiolocation station. "There are some plans, but the issue is yet to be settled. It is for the specialists to decide how to settle this issue and there also must be the will of both sides", Chernyshov mentioned.

Asked by TURAN Chernyshev answered that Moscow did not raise the issue concerning the Russian military

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bases in Azerbaijan. Chernyshev mentioned that this is not the issue of today's or future perspective. "However, if we are asked, we can discuss it", Chernyshev said.

Meanwhile, during his visit to Baku last autumn Pavel Grachev insisted on giving the Gabala radio-location station the status of the Russian military base.

The Azerbaijani leadership thinks that Azerbaijan and Russia must jointly utilize the Gabala radio-location station as the military object on condition of its giving [being given] to Azerbaijan in the future. There is also the opinion to grant the radio-location station to Russia on lease. Although Russia insists on donation of the radiolocation station to Russia with giving it the status of the military base.

The experts say that lack of necessary amount of local personnel able to ensure functioning of the object in Azerbaijan does not allow Baku to adopt the cardinal resolution on the Gabala station.

Chernyshev Meets Guliyev

NC0706210595 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1230 GMT 6 Jun 95

[FBIS Translated Text] Speaker of the Azerbaijan National Assembly Rasul Guliyev received Deputy Foreign Minister Albert Chernyshev today. Guliyev welcomed Chernyshev's visit to Azerbaijan for talks, noting that he is an experienced diplomat. Guliyev stressed the importance of the talks Chernyshev will hold for the improvement of relations between Russia and Azerbaijan.

The two officials discussed the general situation in the world, touched on the problems in troubled regions, and exchanged views on matters related to the Karabakh dispute. They also discussed the improvement of economic relations between Russia and Azerbaijan and the consolidation of cooperation between the parliaments of the two countries. Furthermore, they held extensive talks on the Caspian Sea's status. Responding to Chernyshev's approach, Guliyev recalled that the Caspian Sea's status vis-a-vis the question of oil extraction has been common knowledge for a long time. In other words, Azerbaijan first extracted oil from the Guneshli oil fields 25 years ago, that is, during the existence of the former Soviet Union. Azerbaijan continues to operate that oil field at the present time. Actually, it exploits the resources in its own territory.

Adhering to the views he has expressed in talks with heads of state who have brought up the question of the Caspian Sea's status, Guliyev stressed that as far as the protection of the Caspian Sea is concerned, the littoral countries can conclude agreements on four main fields — ecology, [word indistinct], navigation, and mineral resources.

Deputy Foreign Minister Albert Salamov; Namik Akhundov and Afshin Babayev, department heads of the Azerbaijan National Assembly; and Russian ambassador in Baku Valter Shonia attended the meeting.

Aliyev Meets NATO Officer, Comments on Cooperation

NC0706181395 Baku TURAN in English 1210 GMT 7 Jun 95

[FBIS Transcribed Text] Baku (June 7) TURAN—Today President Aliyev met with the NATO delegation headed by Deputy Chief commander of joint armed forces in Europe General Jeremy McKenzie.

"Azerbaijan had signed the program 'Partnership for Peace' and I hope that the present visit will help to strengthen relations of Azerbaijan with NATO," Aliyev noted. General McKenzie said that the purpose of his visit was to become acquainted with the presentation document of Azerbaijan for implementation of Partnership for Peace and development of bilateral relations. According to him, the presentation document is ready and will be signed in the near future.

McKenzie noted that the contacts Azerbaijan-NATO will allow to modernize armed forces of Azerbaijan. He said that after signing the document Azerbaijan will really start co-operation with NATO.

General said that he is well aware of the problems of Azerbaijan regarding the conflict with Armenia around Nagorno-Karabakh. He noted that though the conflict is not resolved within the framework of NATO but "during the visit we understood that conflict better and will deliver the information to the NATO authorities."

The General noted that NATO is ready to render assistance to armed forces of Azerbaijan. "I support development of relations between Azerbaijan and NATO. You must be sure that Azerbaijan is going to co-operate with NATO for a long term," Geydar Aliyev said. He expressed assurance that NATO must have exact information about armed forces and the situation in Azerbaijan. "I hope that NATO will be able to compare the possibilities of Azerbaijan with the other counties of the region," he noted. "Our army was not set up for capture the territories or for aggression, but to defence our people from the aggression outside," Geydar Aliyev said.

He said that a cease-fire regime continues in the region for more than a year and Azerbaijan is going to keep it in the future. "But if Armenia violates that regime we must be ready to reverse answer. I want all subdivisions

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meet the requirements of NATO," the President noted. That is why the army should be modernized.

McKenzie confirmed that NATO was ready to render assistance necessary for Azerbaijan. According to him, Azerbaijan needs to send its representative to Brussels to the head-quarter of NATO. Aliyev gave an instruction to send military representative of Azerbaijan to Brussels.

Aliyev Meets Oil Consortium President

NC0706183295 Baku TURAN in English
1622 GMT 7 Jun 95

["Geydar Aliyev: 'It Is High Time to Take Decision on the Route of the Pipeline'"—TURAN headline]

[FBIS Transcribed Text] Baku (June 7) TURAN—Late on June 7 the President Geydar Aliyev met with the president of the Azerbaijan International Operation Company (AIOC) Terry Adams. Terry Adams told that late today the members of the consortium will discuss the issues concerning transportation of early oil. According to him, the final negotiations with SOCAR [State Oil Company of the Azerbaijan Republic] on that matter are over. Adams noted that the plan of 6 months works and a technical program has been prepared jointly with SOCAR. The budget of the consortium for 1995 totalling 108 million dollars has been confirmed.

According to Adams it was a half of the program. The second half will be spent for the operation of Chirag-1 platform. The main purpose now is the transportation of early oil," said that president of AIOC. He said that he would leave for Tbilisi and Moscow with the president of SOCAR Natig Aliyev and the final route of the pipeline would be adopted within two months.

Geydar Aliyev expressed satisfaction with the work over the last six months. "I am happy that the exploration of Chirag-1 is over. It is a big step in the work of the consortium which will produce oil on that platform. Concerning the transportation of early oil Aliyev said that "it is high time to take final decision." According to Aliyev the recent visit in Baku by the Minister of Energy of Russia Yuriy Shafranik "concerned just that matter and the results of the visit were fruitful." Geydar Aliyev expressed a hope that the Azeri-Russian co-operation in the sphere of the development of oil in the Caspian Sea and its transportation will be resolved successfully. Then the meeting was held behind the closed doors.

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